

Final Thesis Project

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Opportunity Works in Neighborhoods

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Abstract

The Village of Walden is facing an affordable housing crisis, leaving many residents in an extremely precarious, unsustainable situation, mirroring the nationwide crisis that has been amplified since the housing market crash of 2008. Hundreds of local families, particularly those making less than the area median income (AMI), are at risk of losing their homes and being displaced, which threatens to destabilize the entire community.

Despite the clear need for a sustainable solution, there have been large obstacles preventing pragmatic action. According to the statewide Affordable Housing Report, the “Not In My Back Yard” or “NIMBY” ideology has been the prime hindrance to progress on the affordable housing front. Opponents of affordable housing have regularly used the “NIMBY” rallying cry to fight housing projects aimed at assisting low income families, stating that the introduction of such projects would flood the area with undesirables, leading to increased crime, poverty, and destabilization, despite lacking empirical evidence to back these claims.

To combat these misconceptions, we will create the OWN program (Opportunity Works in Neighborhoods) by partnering with local organizations, which will both educate the local populace through an aggressive and creative marketing campaign, and provide affordable housing to those in need, strengthening the community on multiple fronts.

I Community Context

The Village of Walden is located in the Town of Montgomery within the County of Orange. The present day Village of Walden was first settled by Native Americans as they followed the receding glacier and remained that way until 1650. In 1813, New York City businessman Jacob Treadwell Walden began developing what is now the modern village, currently home to 6978 residents. Although picturesque, the Village of Walden is experiencing an affordable housing crisis, one that threatens to destabilize the entire community and displace hundreds of local residents.

According to two local recent studies, “**A Three-County Regional Housing Needs Assessment**” (Planning Departments of Dutchess, Ulster and Orange County (2009, April) "*A Three-County Regional Housing Needs Assessment*. Retrieved from http://www.orangecountygov.com/filestorage/124/1362/1460/7351/Three-County_Regional_Housing_Needs_Assessment.pdf); and “**Statewide Affordable Housing Needs Study: Mid-Hudson Regional Report**” (Office of Policy Research and Development (2008, October) *New York State Division of Housing and Community Renewal Statewide Affordable Housing Needs Study MID-HUDSON REGIONAL REPORT*. Retrieved from <http://www.nyshcr.org/Publications/HousingNeedsStudy/MidHudson.pdf>), the tri-county area encompassing Orange, Ulster, and Dutchess Counties are facing a large affordability gap, despite the existence of down payment assistance programs and Federal Housing Administration (FHA) loans. Within this tri-county area, an estimated 21,000 units are needed to fill current demand, particularly for the low income population making less than area median income (AMI).

Orange County contains populations in flux. Of the 374,512 residents of Orange County, (US Census Bureau (January, 2013) *Orange County, New York*. Retrieved from <http://quickfacts.census.gov/qfd/states/36/36071.html> individuals 65 years old and over constitute the fastest growing cohort in the region, which heightens the need for assisted living and ‘again in place’ opportunities. Young adults are either leaving the area, or returning home to live with their parents. According to the US Census, Kiryas Joel, a local Hasidic Jewish community constitutes more than a quarter of the County’s entire population growth. Between 2000 and 2010, Orange County’s population grew from an estimate of 341,367 to 372,813, an increase of 31,446 residents. During that time, Kiryas Joel’s population grew from 13,241 to 21,357, and increase of 8,116 residents, accounting for nearly 26% of all Orange County population growth (US Census Bureau (January, 2013) *Kiryas Joel*. Retrieved from <http://www.city-data.com/city/Kiryas-Joel-New-York.html>)

The typical residential development in Walden is an older dwelling and priced from around \$100,000 to \$300,000. Until the recent economic crisis, the residential market in Walden had been fairly sound, following typical housing trends in the region. However, similar to other parts of New York and the Northeast, the residential market has dropped off dramatically since the later part of 2007. There were less sale transactions and pricing began to decline. Pricing appears to have peaked around the first quarter of 2007, and over the last five years, anywhere between 10 and 20 dwellings have transferred annually within the Village. Recent pricing dropped from an average of around \$250,000 to around \$200,000, but more typically over the past half-decade, prices has ranged from about \$120,000 to \$160,000 in the community. Recent data indicates an average price of \$155,000 with an average list price of \$206,500.

One-bedroom rents in the county range from a low of \$475 to a high of \$1,200 at the most luxurious

apartment complexes. Two-bedroom rents range from a low of \$550 to a high over \$1,500. Within this market, the average apartment unit tends to be quite large, but the available stock is generally outdated and poorly designed. Three-bedroom rents range from a low of \$675 to a high of \$1,850+, and the amount of available three bedroom units are generally very limited in the market. In the Village of Walden, 64.7%, or 552 of the 852 renter occupied units, pay between \$750 and \$1500 per month in rent, a reality that is not conducive to sustainable housing in the area, and one that is largely detrimental to the Village of Walden and its inhabitants (US Census (2012, December 10). *Walden Demographic*. Retrieved from: http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1).

And while a one-bedroom apartment could go for as low as \$475, seemingly very affordable for the area, the reality of the matter is that the median household income in Walden is only \$61,389. By comparison, the AMI in Orange County is \$85,800 (HUD (2013). *FY 2013 Income Limits*. Retrieved from: <http://huduser.org/portal/datasets/il/il2013/2013summary.odn>), barely reaching the 70% threshold of AMI. To make matters more precarious, nearly one third of Walden's households make less than \$35,000. With such a huge contingency of the population at or below 40% of AMI, the need for large scale, affordable housing is impossible to deny. With nearly a third of the village's population in constant housing uncertainty and turmoil, the entire village's prosperity is at stake, and the future is uncertain.

II Problem Analysis

The Village of Walden is facing an epidemic with the lack affordable housing for any resident making less than the AMI. More than 60% of the entire village's households are below the \$85,800 mark and almost a third of the entire village's population makes less than 40% of AMI (US Census (2012, December 10). *Walden Demographic*. Retrieved from: http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1). Without a pragmatic, sustainable, affordable housing solution, the entire village's subsistence becomes tenuous. In addition to the sheer volume of residents in need of affordable housing, the village has been plagued by a spat of NIMBYism, opponents to affordable housing who regularly and vocally decry affordable options under the pretext that it will invite undesirables to local neighborhoods, while increasing crime and poverty levels and generally leading to a breakdown of the community.

In order to combat the shortage of affordable units as well as the plague of misinformation that is running rampant, we will create a comprehensive program known as the "OWN" (Opportunity Works in Neighborhoods) program. The "Opportunity" of this program stems from creating affordable housing opportunities, allowing low income community members to have more disposable income to spend within their community. Through a detailed problem analysis on OWN, RDAC has determined that the CEDness of the project is to address housing needs while achieving community stability and personal empowerment for households whose income and assets would not otherwise qualify them to participate in the market

Currently, I am the Executive Director of the Orange County Rural Development Advisory Corporation, a non-profit organization based out of Walden, which just celebrated our 30th Anniversary this past

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March. Since 1983 we have assisted in construction and rehabilitation of over 1000 affordable housing units in the county, assisted in obtaining sustainable solutions for over 4000 struggling homeowners to avoid foreclosure including assisting with mortgage modifications, short sales, budget counseling and financial literacy. Through our “Ecozitaion” Department we have weatherized over 150 low-income homes. In just this last year alone we have provided over 50 free energy audits and over 100-energy efficiency retrofits on homes in the region.

With this existing framework and the partnerships we have established over the past 30 years, RDAC will administer the OWN initiative, using our expertise and experience to maximize efforts. Through OWN, our organizations will both educate the populace about the shortfalls of NIMBYism and the paramount importance of affordable housing, and purchase short sales or real estate owned properties from lenders. Once RDAC has purchased these properties under the OWN program, we will then either lease the homes to tenants at affordable rates, or sell the properties at fair market value to first time homebuyers that also take part in our “First Time Homebuyer Course” and financial counseling courses.

A complete problem analysis matrix has been completed on Opportunity Works in Neighborhoods (OWN), which can be seen below. This analysis shows both the long-term effects and causes of the problem.

Problem Analysis

EFFECTS	Credit ratings Emotional stress on low income individuals Community stresses – cost to maintain blighted, empty properties, such as a \$34,000 per household cost to a municipality and up to \$220,000 reduced property values
PROBLEM STATEMENT	The Village of Walden is facing an epidemic with the lack affordable housing for any resident making less than the area median income (AMI). This warrants an immediate cure promoting sustainable housing solutions.
CAUSES	Increase in foreclosure filing since 2008 Homes being abandoned by struggling homeowners Declining property values

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OWN has also completed and analyzed all potential stakeholders, and detailed analysis of these local players can be found below.

Stakeholder Analysis

Team Member Name	Affiliation and/or Relationship to Planned Project
Faith Moore	RDAC Executive Director – Administrator and overseer of OWN
Bernard Bowen	RDAC Housing Counselor – To provide foreclosure mitigation, pre short-sale, and registration to First Home Club counseling
RJ Smith	RJ Smith Realty – Identify all available vacant and short-sale properties. Will negotiate sales with the bank.
Greg Roe	Walden Savings Bank – Originator who will complete all financing for acquisition and closing.
John Ebert	Director of Orange County Community Development – Inspector of all properties, will create scope of work for all measures that need to be completed for rehabilitation
Louie Peshash	LP Builders – To perform all rehabilitation and construction measures
Brian Maher	Village of Walden Mayor – To ensure the flow of participation between Village of Walden board members and community residents
Ray Lustig	Rental property owner in Village of Walden – To provide insight as community resident and landlord

Lastly, a SWOT analysis has also been completed on the OWN project in order to full identify the strengths and weaknesses of the nonprofit housing organization that is working on solving the problems of the village through this program. This SWOT analysis can be seen below.

SWOT Analysis

<p style="text-align: center;"><u>STRENGTHS</u></p> <p>Immediate client response</p> <p style="padding-left: 40px;">Diverse staff</p> <p style="padding-left: 40px;">Team cooperation</p> <p style="padding-left: 40px;">Commitment to clients</p> <p style="padding-left: 40px;">Organizational skills</p> <p>Knowledge of our community</p> <p style="padding-left: 40px;">Understanding of people</p> <p style="padding-left: 40px;">Diverse programs offered</p>	<p style="text-align: center;"><u>WEAKNESSES</u></p> <p>Clients having a hard time finding the office</p> <p style="padding-left: 40px;">State reps are under educated</p> <p>Open space in office makes volume level loud</p> <p style="padding-left: 40px;">Not very many people know what we do</p>
<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <p>Improve community image and conditions</p> <p>Learn life lessons while working with different people</p> <p style="padding-left: 40px;">Ability to expand our roles</p> <p style="padding-left: 40px;">Grant writing</p> <p style="padding-left: 40px;">Community workshops</p>	<p style="text-align: center;"><u>THREATS</u></p> <p>Town laws prohibiting growth</p> <p style="padding-left: 40px;">Availability of funding</p> <p style="padding-left: 40px;">Lack of training close to us</p> <p>Clients taking actions out on staff physically threatening</p>

Educating homeowners on the importance of careful money management and budgetary skills, particularly with regards to unforeseen setbacks such as loss of income, is paramount to long-term affordable housing success. Although homeowners should spend no more than 30% of income on housing costs, this golden ratio is rarely able to be followed due to the lack of affordable options, a problem that is going increasingly prevalent in the Village of Walden. Renters are an often overlooked, but important and expanding population. Currently, an individual needs to make an hourly wage of \$22 in order to rent—the lack of affordable rental opportunities in the region is forcing renters to live in pay-per-week motels, which regularly results in a very tenuous and unstable future for these residents. These populations raise important questions about the future of housing needs in the County.

III Literature Review

A foreclosure is the process that happens when the owner of a note on a property takes back possession of that property due to non-payment of the note. Since 2008 we have seen the number of foreclosure rise in our country. Recently some states have stabilized while others like Florida have increased 53.45% just since 2011 as reported in the Foreclosure Report issued by RealtyTrac (Cone, 2013). When a foreclosure happens it affects the homeowners, the lenders, the municipality the foreclosure is taking place in and even sale prices of other homes for sale. The first and most obvious of the three parties affected is the homeowner. The organization that I run, RDAC, has a foreclosure prevention program. A foreclosure situation is one of the most complex and stressful situations for a homeowner. In 2011, RDAC held a seminar to inform homeowners of their options even included a grief counselor who spoke directly to the psychological effects on children when parents face financial difficulties

In the Foreclosure Report issued by RealtyTrac.com, the impacts of foreclosure on housing sales was measured, and it was determined that foreclosure actually impacted housing prices more drastically than initially reported, worsening an already significant problem (Cone, 2013). Research such as this has proven that foreclosures can affect the sales price of a home in two separate ways. First, a foreclosed home in the community negatively impacts the neighborhood's desirability, and is indicative of a community that is struggling financially. This makes investment in that area, either to prospective residents or businesses, less alluring. Secondly, many of the homes on the market today are short-sales and can take an exorbitantly long time to close due to repeated complications in the short-sale process. The lengthy time on the market and continued vacant status of these properties drives the value down of comparable properties, negatively affecting the rest of the community.

Furthermore, The Statewide Affordable Housing Needs Study notes that NIMBYism has led to huge opposition of affordable housing initiatives in the region and throughout the state. The report suggests the importance to educate residents as well as local officials and board members on the importance of affordable housing ((Office of Policy Research and Development (2008, October) *New York State Division of Housing and Community Renewal Statewide Affordable Housing Needs Study MID-HUDSON REGIONAL REPORT*. Retrieved from <http://www.nyshcr.org/Publications/HousingNeedsStudy/MidHudson.pdf>). The apprehension to affordable housing projects fueled by NIMBYism, coupled with the fact that Orange County and the Village of Walden have been plagued by foreclosures (according to RealtyTrac there are 2567 active foreclosures in Orange County, with 104 units in the Village of Walden alone falling into some form of foreclosure, be it default, auction, or bank-owned status) has led to an extremely problematic confluence of events for low income and distressed families, making finding affordable housing exceptionally difficult.

The current housing crisis for local residents, paired with our experience as a non-profit organization that has dealt with distressed residents for over 30 years, makes the creation of the OWN project not only a viable means of combatting the factors that are posing significant risk to local neighborhoods, but an imperative asset to the community. Based on these factors, OWN will be created thusly:

Part 1 of the process will be to create a clear and comprehensive "Marketing" plan on affordable housing. The main goal of the marketing plan will be to educate the local populace and dispel the spat of

misinformation that has been wrought through NIMBYism. This marketing plan will focus on making affordable housing attractive, removing the negative connotation of the term.

Part 2 will be a program loosely modeled on the national “Neighborhood Stabilization Program” (NSP). Under this facet of the program, RDAC, my non-profit organization, will purchase a house that is bank owned, in foreclosure or short sale. Once my NPO takes ownership of the property, several options can be pursued based upon each individual situation:

1. Maintain ownership and rent to new low-income tenants at an affordable rate
2. Rehab and sell immediately to a first time homebuyer who has already taken our “First Time Homebuyer” course
3. Lease back to the struggling homeowner (pre foreclosure or short sale), where the homeowner will also receive financial education, further empowering them

IV Project Design/ Logic Model

NIMBYism presents a particularly pernicious obstacle to the construction of affordable housing.

The stereotypes that exist against affordable housing is also tied to the threats residents assume about future AH residents picturing them as only the poor or minority groups. Equality and self-reliance is also part of the problem unless residents have an affinity to the potential new residents. If the new residents are similar to the residents already in the area then there is support for “people just like us.” For example there is a perceived difference between the “deserving poor” and the “under- deserving poor.”

There is further concern about lost property values and the fear of poor management, which go beyond prejudice. Many residents are concerned about the pressure on resources – ex, too many children in their school district. There is also the simple fact that people don’t want to share their neighborhood with others unless they can be convinced of the potential improvement the new residents offer.

Community Benefits of Affordable Housing

The development of affordable housing brings tremendous economic benefits, both immediately and over the long term. Here in New York State, a typical 100 unit affordable housing development generates the following one-time construction impacts statewide:

- \$29.6 million in total economic spending (\$15.5MM in investment, \$6MM in direct economic spending and \$8.1MM in induced economic spending)
- 175 total one-time jobs (90 direct construction-related jobs, 35 indirect construction-related jobs, and 50 induced jobs from new household spending on various goods and services)
- \$9.6MM in total employee compensation (\$5.1MM in direct construction-related compensation, with spinoff activity generating \$2.0MM in indirect employee compensation and \$2.5MM in induced employee compensation). Overall average compensation across all industries = approximately \$56,250 per year.

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- The financial benefits of affordable housing development last much longer than the construction period, however. Ongoing statewide impacts include the following:
- \$3.5MM in annual economic spending (\$2MM in direct spending on local goods and services and building ops and maintenance, \$0.6MM in indirect spending and \$1.0MM in induced spending)
- 30 total jobs (14 direct jobs in a range of industries supported by local consumer spending and 6 direct building op and maintenance jobs), 5 indirect jobs and 5 induced jobs.
- \$1.2MM in total annual compensation (\$0.7MM direct, plus \$0.2MM indirect and \$0.3MM induced).ⁱ

Affordable housing eases the financial burdens faced by families in our communities, and research increasingly points to the positive impacts that a successful affordable housing development can have on the physical health of its residents. Like the direct economic benefits of affordable housing, the health benefits can be measured. And like the economic benefits outlined above, health impacts translate to fiscal savings for a community. The health benefits that are made possible through the provision of affordable housing are many.

- By freeing up family resources for nutritious food and health care expenditures, affordable housing may improve health outcomes. Some studies have found that the improved health outcomes are especially apparent among older children, indicating that perhaps the health benefits of affordable housing accumulate over time.
- Residential stability can reduce stress and related adverse health outcomes. It is well documented that the many stresses of housing instability can lead to lower levels of psychological well-being and greater likelihood of being seen by a doctor.
- Studies have consistently shown that homeowners achieve better physical and mental health outcomes than renters (including fewer long-term illnesses, lower blood pressure, and lower levels of depression and alcohol abuse). Thus, affordable housing programs help to extend these health benefits to families at a broader range of income levels.
- Well-constructed and managed affordable housing developments can reduce the health problems associated with poor quality housing, by limiting exposure to allergens, neurotoxins and other dangers.
- For seniors and individuals with chronic illnesses and disabilities, stable affordable housing can improve health outcomes by providing a stable and efficient platform for the delivery of long-term health care and related services. Individuals in stable housing can better store medications, maintain recommended diets, and follow prescribed health care routines than their counterparts who must weigh these needs against the simple need to find a place to sleep at night.ⁱⁱ

Given the above, it becomes apparent that successful affordable housing developments can generate broad economic activities, bolster municipalities' financial status, stabilize neighborhoods, create jobs, and improve residents' physical well-being. Affordable housing is thus tremendously beneficial to all, and communities should understand that it is highly desirable to foster well-planned, well-designed and well-sited affordable housing developments. To ensure this, developers can arm themselves with the abundant research findings that support affordable housing projects, and employ some key strategies when approaching local decision-makers.

What are some strategies on dispelling negative beliefs and preventing NIMBY-ism from stalling, taking hold, or preventing the project?

- Cultivate community and political support **before** the project becomes public; work in communities that have adopted AH-oriented zoning in the Comprehensive Plans thereby demonstrating support for AH projects. **Select the community first, real estate second.**
- Create a planning timeline that advances the required studies in **‘parallel’** rather than sequentially
- Before submitting a site plan application, research other AH projects and request Planning Board meeting minutes (via FOIL) from any recent project to capture the basic community/PB objections. Address these elements in the design before the initial submission.
- Request a pre-application meeting with the Town’s planning officials and meet with the economic development staff (if existing) to introduce the project to the planning process. Present an application that benefits the community and mitigates impacts while providing affordable housing.
- Embrace **outreach and messaging** as key project elements: Define the project’s nomenclature to the public before any potential project opponents take an opportunity to define the project publicly (ie. ‘workforce housing’ vs. ‘subsidized/section 8 housing’)
- Demonstrate the need by using real statistics on people and demographics and educate the community about the need (as a key component in early messaging efforts)
- Build a coalition/partnership- assemble a team of partners, particularly other developers/consultants/attorneys who have succeeded at delivering projects as promised
- When preparing for SEQRA – don’t dismiss an issue until the Planning Board has had a say

Marketing Affordable Housing:

As a result of the burst of the housing market, the need and demand for affordable housing is greater than ever. But the term “affordable housing” continues to have what advertisers would call “an image” problem.

Understanding the Emotional Issues:

Affordable housing is charged with fear and mistrust by its opponents, despite the fact that they tend to be the *minority*. But they scream louder and know how to have their objections known thereby influencing policy makers. Our research found that the fears, no matter the project, are the same. We contrast them with the realities.

FEARS	REALITIES
People who live in affordable housing are not “like us”	People who benefit from affordable housing already live in the community
Increase in traffic	Tend to own fewer cars and drive less
High turnover rate among residents	Guaranteed stable rents result in tenants moving less often
Increase in school population	Rental apartments have fewer children than owner occupied

Waking the Sleeping Majority:

The research also found that when surveyed, *the majority of people in a community tend to be in favor of affordable housing*. They feel that providing decent housing is part of what makes-up a community. The challenge is getting them to speak up.

Defining Your Objectives:

Your objectives may be multi-pronged starting with simply raising awareness:

- To raise awareness of the need for affordable housing and the benefits it will bring to the community.
- Ultimately, to get approval for an affordable housing project.

Who is Your Target Audience:

It is not unusual to define more than one target audience. In the case of a building project, the final decision/policy makers: local politicians, planning and zoning board members and state officials can be defined as a target audience. How you relate to them versus the general public are two different strategies.

For the purpose of this paper, we are going to define the “public” target audiences since they ultimately can influence the final decision makers. They are:

- People who believe that it is in the best interest of the community to make decent housing affordable and available.
- Business leaders, community influencers and thought-leaders that are advocates for affordable housing and can help engage supporters in the community.

While we acknowledge that opponents to affordable housing are an audience, targeting them can be done more effectively when treated as part of the whole with the strategy.

Developing an Effective Marketing Strategy

An effective strategy needs to empower the advocates in the community, encouraging them to join the conversation. Communications should focus on the positive, tapping into the belief system that they share in making their community a better place for everyone.

Defining the Benefits:

What’s in it for the community: Does the project provide affordable housing for seniors so they stay close to family and friends or does it provide young people to remain in the area, or both? Will the project rehabilitate an abandoned building or lot thereby increasing property values, transforming blight, helping local businesses and overall character of the community? Define the benefits and be consistent in your communications whether it’s advertising, PR or social media.

Don’t Ignore the Fears:

Opponents fears are very real. Providing them the facts, such as we did above, can be one tactic. But it is this team’s recommendation that all communications be focused on the POSITIVE. For example: assurances that the project will be safe, well built and well maintained while fitting in with the rest of the community’s character.

Tactics:

How do you get your message out? Budget may dictate. Since affordable housing projects tend to be local

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versus regional or national, media that targets the specific area is recommended: Local newspapers, TV and radio for advertising and press releases.

Social media can also be effective but only if an advertising or PR agency is assigned to handle it. If not monitored regularly, social media can get out of control particularly when there are vocal opponents.

Web presence is a must and a good way to keep people in the community informed and up to date on what's going on with the project. Have a website ready to go.

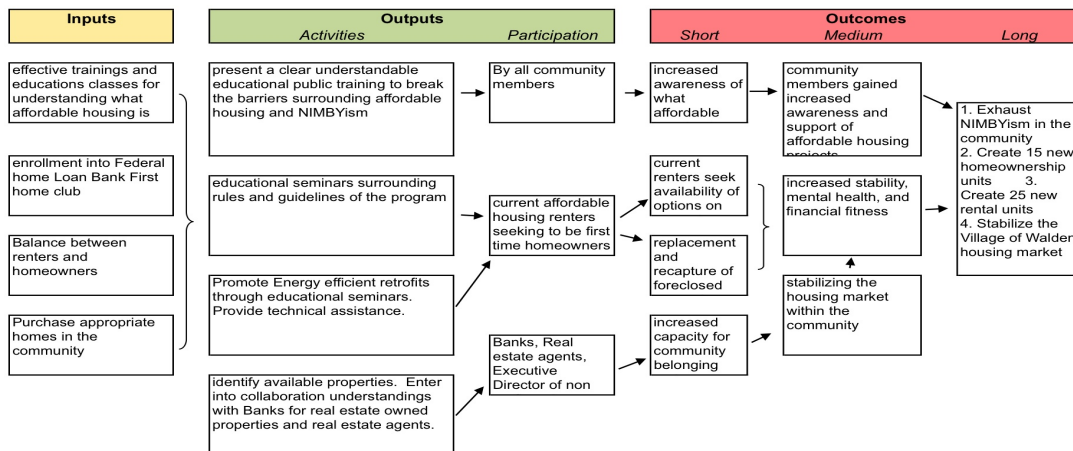
Direct mail, flyers, bumper stickers and events are good on-the-ground tools and provide a grass roots approach that can be very effective for a local project.

Creative Strategy

What will be the tone of your communications? Based on what was outlined above:

To communicate that providing housing that is affordable is good for the community, it's overall health and future well-being.

LOGIC MODEL



V Methodology and Implementation Procedures

Implementation Plan

OWN presently has a waiting list of 30 families. The new program can be completed within six (6) months -- 90 days for home selection, financing qualification and purchase contract and 90 days to complete all inspections and close on acquisition. Walden Savings Bank has successfully worked with OWN in the past and has a portfolio product designed specifically to assist first-time homebuyers with limited assets. The Bank's professional staff will assist with financing arrangements for program participants.

General Program Operations

The Sub-recipient, Opportunity Works in Neighborhoods (OWN) will provide general program operation of the funded project. RDAC is responsible for adherence to administrative guidelines, policies and procedures as established by the HOME Program.

Marketing Outline

The goal of the proposed project is to address housing needs while achieving community stability and personal empowerment for households whose income and assets would not otherwise qualify them to participate in the market.

Affirmative Marketing/Equal Opportunity

OWN and local Real Estate agent R.J Smith will administer a general marketing plan for the program. Homes will be marketed without regard to race, creed, color, gender, marital status, sexual preference, disability, or national origin in the spirit and letter of the law regarding Fair Housing. Affirmative fair marketing consistent with 24 CFR 92.351 will be followed.

OWN has prepared an analysis of the composition of the program market area as compared to Orange County's racial ethnic composition and has identified those segments of the population least likely to apply without special outreach and advertising. The program will identify media outlets and personal outreach targets. These outlets, in combination with traditional mainstream print and electronic media will provide full coverage to ensure outreach to the entire market.

All advertising for the proposed project will prominently display the Equal Housing/Fair Housing logotype. If human models are used in any advertising, they will be representative of diverse racial and ethnic groups.

Applicant Screening and Selection

OWN shall be solely responsible for the final selection and approval of potential purchasers. Income, assets, and current housing tenure will determine eligibility. All applicants will complete an application to determine preliminary eligibility and submit a signed affidavit of income and assets to OWN.

OWN will analyze the affidavit of income and assets by the purchaser; the complete application; current proof of income as evidenced by current pay stubs or verification letter from employer; and W-2 forms and/or tax returns to determine income eligibility in accordance with 24 CFR 92.217. Income is qualified by OWN at the time of application; prior year's income is examined on tax returns as a method of further

verification.

OWN's executive director provides final approval. The executive director will issue an award letter to qualified purchasers. After receipt of an award letter from OWN and completion of mandatory pre-purchase counseling, purchasers may proceed into the home selection and mortgage process.

Technical Assistance

Counseling – OWN will provide technical assistance, including mortgage and purchase counseling as necessary and available to program applicants. In some instances, especially in the instance of special populations, including homeless families, post-purchase counseling may be provided.

Resale – In the event the original purchaser sells her home during the term of the mortgage, OWN will screen the new purchaser for eligibility to assume the HOME mortgage. RDAC will process the assignment and subordination agreements in the case of resale to income eligible purchasers.

Purchase Assistance Program

RDAC will ensure that the project is implemented and completed in accordance with applicable current HOME program statute, rules and regulations. RDAC will provide up to \$30,000 principal cost and closing cost reduction grants to eligible applicants with recapture provisions consistent with 24 CFR 92.254(a)(4) and \$600 of each grant will be utilized to cover the cost of a professional home inspection and report for each home buyer/property.

Application Procedures and Process

Each applicant will be interviewed for initial eligibility for the program will be provided with a program application prepared by RDAC. The application is designed to be simple and non-invasive while providing the information necessary to conduct an informed eligibility analysis. Anyone requiring assistance to complete the application will be so assisted.

OWN will review each application on a first-come-first-served basis. All applications are date stamped by OWN as they are received.

Eligibility and Approval

OWN will analyze the signed purchase agreement; complete application -- which includes affidavit of income and assets by the purchaser; current proof of income as evidenced by current pay stubs or verification letter from employer; and two years W-2 forms and tax returns (federal and state) to determine income eligibility. Income is qualified by RDAC at the time of program and mortgage application; prior year's income is examined on tax returns as a method of further verification and to determine any income inconsistencies that may require further explanation.

Current homeowners will not be eligible under this program except for specific instances where displacement has occurred as a result of a divorce or other extenuating circumstance.

The program targets those persons whose respective income does not exceed 75 percent of median income adjusted for family size.

OWN will provide assistance to purchasers to navigate the mortgage approval process. A relationship has been established with Walden Savings Bank and other lending institutions to provide SONYMA, standard

secondary- market, and portfolio products.

OWN is a HUD-approved 203(k) not-for-profit and a HUD-certified Housing Counseling Agency -- including HECM -- with 18 years experience in counseling and homebuyer assistance. As the project sponsor, OWN is able to provide any form of assistance that may be necessary to assist either individual purchasers or general project marketing.

Financial Management

OWN will be responsible for all financial administration, record keeping, reporting, fiscal controls, and preparation and submission of drawdowns.

The HOME Program Note and Mortgage will be recorded as a junior lien subordinate to first-mortgage financing provided by a lending institution licensed to conduct business in the State of New York.

OWN will maintain in-house, under its control, all project related files including homebuyer files and disbursement records which will be available and subject to examination by HTFC and/or an authorized auditor.

The standards of OMB A-133 as adopted by HUD as 24 CFR Part 45 or other financial standards as specified by the award agreement with HTFC will be followed with regard to financial management, procurement, repayment, recordkeeping, and close out terms.

OWN will ensure that the HOME Note and Mortgage is signed and delivered to the Title Company for proper filing. OWN provides written instructions to the Title Company and an affidavit regarding waiver of Mortgage Recording Tax. OWN provides a stamped, self-addressed post card that the Title Company delivers with the Note and Mortgage to be filed with the Orange County Clerk. The Clerk returns the post card to OWN stamped with a Liber and Page number of the recorded documents that will be recorded and returned to HTFC.

Kick Off Session

Hudson Valley OWN Event

Sponsored by the offices of Congressmen Maloney and Gibson and HUD Certified Counseling Agencies and OWN

Date: Friday August 2nd from 8 am to 4 pm

Location: Poughkeepsie Grand Hotel

Participants:

Chase Homeownership Preservation Team

Bank of America Homeownership Preservation Team

Certified Foreclosure Prevention Counselors from OWN and other local counseling agencies

Legal Services of the Hudson Valley

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New York State Attorney General's regional office staff

Staff from Congressman Maloney and Gibson

Primary Contact: Faith Piatt Executive Director

Summary of Event Details:

- Each agency will do mailing to clients with B of A, or Chase loans and ask clients to make appointments to see staff.
- A broader marketing and promotion of the event will be coordinated by OWN's Communication Director and will include cross promotion on each agency website, coordination with Congressmen's local offices, Press kits regarding the event, other marketing strategies. The goal of this marketing will be to general public in Counties of Ulster, Dutchess, Orange, Sullivan who have Chase or Bank of America loans getting them to sign up for appointments
- OWN will handle reservations and appointments with lenders
- Each agency will have all foreclosure prevention counselors on hand for the entire day to handle walk in or screening new clients. Walk in's will be sent to the agency where the homeowner lives or the one most conveniently located for the client.
- Room Layout will consist of registration tables; tables for Chase and B of A teams members, tables for Congress staffers, one table for each agency materials, attorney general and legal services, and additional "counseling stations" for walk ins. I also envision that there will be a waiting area for clients and an area to complete paperwork. Each agency will be responsible to bring their own computers and equipment needed. Each agency will also be responsible to bring intake forms.
- Agencies will get HOPP credit or NFMC credit for walk-ins and new clients from their counties

Each member of the development team has a specific role in the development of Opportunity Works in Neighborhoods (OWN) a neighborhood stabilization project. All members are listed above with function and time frame.

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Communication Plan

Type of Information	Prepared By/ Chaired By	Distribution List/ Participants	Purpose of Communication	Frequency	Transmittal Method
OWN Planning	Executive Director	OWN team	Presents the project, scope, roles/responsibilities, risk, deliverables, schedule, staffing, communication, and how it is closed out	Prior t starting	Mail with email follow up
OWN Schedule	Executive Director	Funders and OWN team	Monitor tasks and responsibilities	As needed basis	Email
OWN Kick Off Meeting	Executive Director	OWN team	Formulate a clear goals and objectives, individual roles and responsibilities.	As soon as OWN starts	In person event
OWN weekly updates	Executive Director	Project Team, PMO	Discuss status, issues and concerns of OWN and how they relate to the project	Weekly	email
OWN Sponsor Meeting	Executive Director	Funders and OWN team	Communicate potential risks, issues, monetary, schedules, deliverables, milestones and achievements	Monthly	Meeting
OWN strategic planning meetings	Executive Director	OWN Team	The down right "how we are doing" and what will be communicated to the community	Prior to meetings	Email, Meeting
OWN status updates	Executive Director	Community, OWN Team	Updates presented in the clearest 7 th grade manner possible	Weekly	In person event with desserts
Any changes	Executive Director	OWN Team, funders, Community	Communication and understanding is key here	As needed basis	Email, Meeting

Implementation Reflections

Our mission is to encourage vital, healthy and stable communities by providing and preserving a broad array of attainable and sustainable housing opportunities for people within a wide income range. RDAC also promotes and supports related community issues as they influence shelter, quality of life, economic opportunity and diversity.

VI Monitoring

ACTIVITIES	DATES	STATUS	TIMELINES	EXPLANATION FOR DELAY	ALTERNATIVE ACTION	ATTAINMENT OF OUTPUT
Create marketing plan handout	Sept 2012 – June 2013	Complete	On-time	N/A	During the entire 4-month research a group effort to collaborate put this marketing plan together we made many adjustments along the way to the delivery but not the message. We are very proud of the outcome	Output 1: Present a clear understandable educational public training to break the barriers surrounding affordable housing and NIMBYism
Create a visual bumper sticker	Sept 2012 – June 2013	Complete	On-time	N/A		
Create commercial	Sept 2012 – June 2013	Complete	On-time	N/A		
Educational seminars surrounding rules and guidelines of the program	Sept 2012 – June 2013	Complete	On-time	N/A		
Hire Housing	Sept 2012 – July	COMPLETE	On-time	N/A	After a month of collecting resumes and	
						Output 2: Effective

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Counselor	2013				conducting interviews we have hired a housing counselor	trainings and educations classes for understanding what affordable housing is
Create class curriculum	Sept 2012 – July 2013 New Complete Date September 15, 2013	On-going	Delay On-time with new complete date	After hiring our new housing counseling we decided that it best suits our organization to have the new counselor attend and participate in classes prior to creating a curriculum		
Schedule classes	Sept 2012 – July 2013 New complete date October 1, 2013	On-going	On-time with new complete date	We need to create curriculum first		
Enroll 30 participants	Sept 2012 – Aug 2013 New complete date October 1, 2013	On-going	On-time with new complete date	Must complete top two		

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Train counselor in FHC guidelines	Sept 2012 – Aug 2013	On-going	Ahead of schedule	We have already enrolled the counseling in a training class		Output 3: enrollment into Federal home Loan Bank First home club
Enroll 30 participants into program	Sept 2012 – Aug 2013	On-going	Complete		We currently have 30 FHC participants enrolled	
Identify properties for sale	Sept 2012 – Aug 2013	On-going	Complete		6 properties are identified for sale in the Village	Output 4: Purchase appropriate homes in the community
Inspect the properties for sale	Sept 2012 – Aug 2013 New completion date September 2013	Complete	Delay		So far all 6 of the above-identified properties have been inspected. However 2 of the above inspected needs more rehab that we have money so we are slightly at a standstill	
Verify line of credit to purchase	Sept 2012 – Aug 2013	Complete	On-time	Ahead of schedule	\$100,000 line of credit is in place that can be used in any unrestricted manner such as purchasing property	

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Make offers	Sept 2012 – Sept 2013	On-going	On-time	N/A		
Purchase 10 properties	Sept 2012 – December 2013	On-going	On-time	N/A		

NOTE: Output 1 noted by yellow cells, Output 2 noted by green cells, Output 3 noted by blue cells, and Output 4 noted by red cells. Black cells note blank cells with no text.

These are more than just words to our staff. They reflect our values and goals—values and goals that were redefined by the staff and adopted by our Board. For as long as I can remember, we have truly embraced them as the heart of our mission.

Fulfilling this mission means we have had to think outside of the box and do what is best for our community. After working with thousands of homeowners struggling to make ends meet we developed Opportunity Works in Neighborhoods (OWN). Since its inception by our Executive Director, Faith Piatt implementation has been smooth sailing. We have had to make a few adjustments in time frames however, that has been our only delays.

When we tackle an issue for one of our clients, our staff dedicates themselves to finding innovative solutions.

VII Evaluation

Evaluation outcomes are an essential component of this project.

We know the biggest obstacle is overcoming organized NIMBY movements, which we combat and defend against in the affordable housing marketing plan. However, as explained there evaluation is one form of defense. We highly regard evaluation of this project OWN as we are continuously looking for ways to improve the community. We will be using an independent evaluation.

This evaluation will clearly define who live in affordable housing.

First we start with determining how many families are working, the type of work performed and if they are using a housing voucher of any kind in order to be clear most are working families. Secondly, we need to evaluate the true and accurate average family household size.

The next step would be to evaluate the number of school age children that were registered in the school district.

Another very important evaluation is to determine where each family moved into the village from including location and prior type of housing

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Another very important evaluation is to determine where each family moved into the village from including location and prior type of housing.

1. How many people are publicly against affordable housings
2. Have any of the NIMBY out criers changed their minds
3. Have the numbers of new homeowners increased
4. What is the average income of a new homeowner
5. How many active foreclosures are there in the village
6. How many were there at the start of the project
7. How many will there be projected at the end of the project
8. Does the community feel more togetherness or completeness
9. Are there more people attending community events

VIII Sustainability

This project will combine Home funds of \$20,000 per unit with AHC funds of up to \$25,000 per unit as purchase/rehabilitation subsidies to facilitate home ownership opportunity and community revitalization for low- and moderate-income households at 50- and 60- percent of AMI.

OWN will have identified, purchased and rehabilitated foreclosed homes in the community

Financial

HOME funds may be used as a purchase price subsidy and for closing cost assistance or to fund pre-paid escrow accounts at title closing. A written commitment, contingent upon permanent first mortgage financing will be provided to each purchaser once the application and pre-purchase counseling process has been completed. HOME funds will be requisitioned prior to closing and will be provided to the purchaser according to program regulations. Funds will not be requisitioned in advance or held by the sponsor.

AHC funds may be used as a purchase price write-down. A maximum of 49 percent of funds – will be made available at the title closing. A written commitment, contingent upon permanent first mortgage financing will be provided to each purchaser once the application and pre-purchase counseling process has been completed.

Of the total \$25,000 per unit subsidy, up to \$24,400 may be used – and a minimum of \$12,750 (51 percent) must be used – for the costs associated with rehabilitation of the property. AHC funds used for renovation/moderate rehabilitation shall be escrowed at title closing and shall be released upon 50 percent and 100 percent completion with 20 percent retain age held until final inspection approval – or Certificate of Occupancy if applicable. AHC funds for rehabilitation will be invested short term in an interest bearing savings account, or will be directly administered by the lending institution in line with its construction lending guidelines. \$600 must be applied towards a professional home inspection that includes a scope of work and recommended corrective actions. The inspection must also include lead testing as deemed necessary based upon the age of the property, the scope of work to be undertaken and the condition of painted surfaces. The mortgage underwriting process will include up to 75 percent of rental income towards household gross income. RDAC and the participating lenders will provide enhanced education and training for any new homeowners contemplating a two-family purchase.

Social:

This in-migration of population has increasingly affected the target area, as extremely low interest rates during the early 2000's ignited the real estate market for single-family residences to accommodate the newer, more affluent, commuting population. The real estate boom was further fueled by metro area residents' desire to relocate outside urban area post 9/11.

The new boom is rapidly eliminating the existing affordable housing in this rural target area.

- A. This project is critically important to mitigate the loss of these affordable units.
- B. The acquisition/rehabilitation will prevent displacement and empower these potentially dislocated residents to become homeowners.
- C. Population growth, with its resulting increase in the number of large-lot, single-family subdivisions and commercial development, has contributed to the steady decimation of farmland and open space

during the past several decades.

D. This project can have a seminal impact on neighborhood revitalization in the population centers, spurring recycling and renovation of older housing stock, and keeping growth out of the farmland and open space that are so necessary to the quality of life and economic and ecological balance of the area.

Political:

Commercials created and bumper stickers made.

Presentation to the Town and Village Boards on the subject matter NOT program specific

Older homes in need of some upgrading and rehabilitation are frequently located within the Villages and older settled areas of the market area and can be purchased for prices at the lower end of the housing price scale.

The average sales price of a home in the Villages of the Town of Montgomery was \$173,205 as compared to 294,115 in the Towns affluent suburban market place (Assessors Data). There is an adequate supply of properties as provided by the Realtor partner.

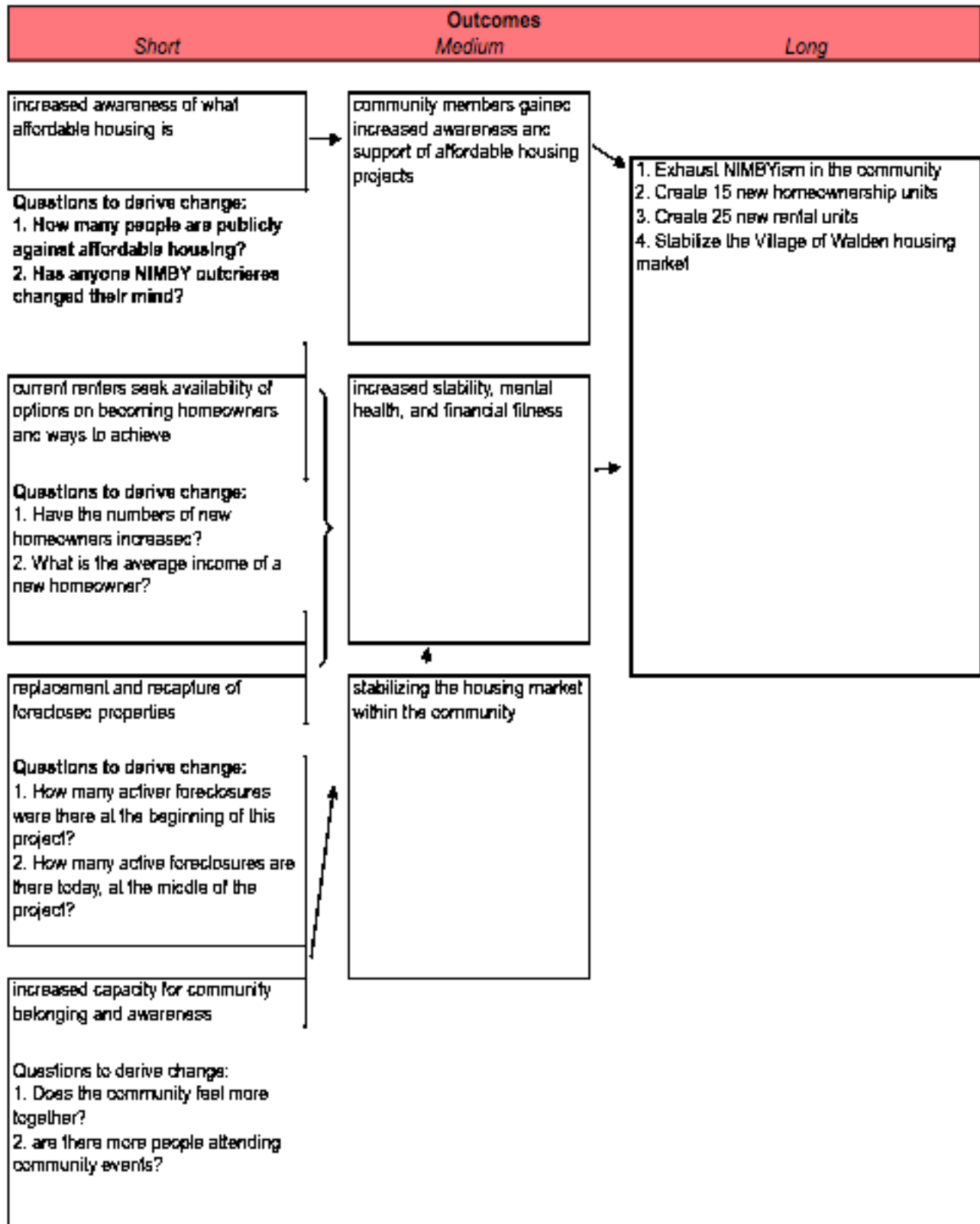
Because rental income has an impact on LTV ratios and can reduce employment income requirements, this project proposes to allow and encourage two-family homes

1. It is more environmentally and socially conscious to offer existing homes – in existing, established neighborhoods and school districts – than to create site-specific "branded" affordable home ownership projects.
2. There are 4,628 renter households in the market area.
3. The largest majority of all renters within the market area (26 percent based upon census data source 2002 census SF3+) have incomes between \$35,000 and \$49,999. The target income group is 50- to 60- percent ami or \$41,275 to \$50,800. The median target income for this program is \$46,037.50 (72.5 percent ami).
4. An extrapolation of this data indicates that 1,203 renters within the market area are income eligible for this program.
5. The area includes three villages and the hamlet of Pine Bush, which have more developed, neighborhood environments, and are proximate to shopping and services. Each, in fact, has local shopping, post office, schools, and recreation available. Pine Bush; Walden and Montgomery include major grocery retailers.
6. Each municipality has a long-term record of investment in public recreation areas and parks that will be easily accessible to the homebuyers and their families. Both Towns and two villages have recently developed waterfront parks on the Wallkill River. Montgomery and Walden are currently completing Rail Trail extensions within their borders.
7. Because of the village structure, a large percentage of the homes within the market area are serviced by public utilities, including municipal sewer and water, and natural gas.

8. Workers within the market area are more likely to be employed within the same area.

The proposal will enhance community stability by providing housing opportunity for locally employed persons whom would otherwise be forced to commute to Orange County from neighboring Sullivan or Ulster Counties, thus mitigating the "bedroom community" effect currently taking place in Orange County. Currently we have 15 properties in negotiations for purchase with 30 enrolled participants in the First Home Club ready to purchase.

IX Results



Since developing and implementing Opportunity Works in Neighborhoods (OWN) we have completed all of our short-term goals and are on our way to completing many of the long-term goals. These goals were designed to allow access to affordable housing opportunities for both renters and homeownership, which would allow people to live and work in the Village of Walden.

Goal 1: increased awareness of what affordable housing really is – the outcome of this activity goal is to present a clear understandable educational public training to break the barriers surrounding affordable housing and NIMBYism

During the entire 4-month research a group effort to collaborate put this marketing plan together we made many adjustments along the way to the delivery but not the message. This goal was specifically sponsored through a regional think tank creating the inputs of community-minded professionals brought together.

Kevin O’Conner CEO of Rural Ulster Preservation Corp was recently quoted in the Times Herald Record saying, “There’s no place that has enough affordable housing. Not a city, not a town, not a rural village”.

And it’s no wonder considering New York State is the 5th most expensive state to live in, and the Westchester/Hudson Valley Region is the 7th least affordable metropolitan area.

The term “Affordable Housing” continues to suffer from what advertisers call AN IMAGE PROBLEM fueled by the housing projects of the 60’s and 70’s. So when a developer approaches a local board with a proposal for “affordable housing” the naysayers or NIMBYs - Not in My Back Yard - quickly organize. They speak the loudest, even if their facts aren’t right, and ultimately influence the decision makers with the result ending with another affordable housing development gets defeated.

Today, we are going to address turning NIMBYs into YIMBYs – Yes In My Back Yard – and how to use the marketing process to help maneuver through approval with local boards. For NIMBY’s, their fears are real. They’re afraid affordable housing will bring in people who are not like them, that there will be more traffic, more children in the schools. Fact is, 80% of the residents in affordable housing already live in the community. As far as traffic, they tend to own fewer cars and have fewer children so local schools are not impacted, but NIMBYs are not the majority, they are the minority. The majority of people believe that affordable housing *is* indeed necessary and that it helps define a community. The challenge is to get this silent majority to speak up.

Opposition tends to evaporate in the face of completed developments. Upon completion, communities see the product as successful and desirable.

To get to that win, it takes promoting and educating a community about the benefits of affordable housing.

It is clear that through this goal we were able to create a commercial and bumper sticker marketing tools in addition to the marketing plan leading to conclusion of the short term goals.

Through completion of this goal the most important lesson that I learned was the first step in any

affordable housing development has to begin with community involvement in favor.

Goal 2: Current renters seek availability of options in becoming homeowners and way to achieve –

The outcome of the goal is to increase stability, mental health and increased financial fitness. This has been completed through the use of first-time homeownership counseling that includes debt management, financial fitness, credit counseling, pre-purchase counseling and most importantly the opportunity to access grant opportunities such as the Federal Home Loan bank of New York First Home Club.

The First Home Club (FHC) was created in order to offer assistance to first-time home owners in need of affordable housing by offering an \$8000 matched savings program to eligible participant making below 80% of Area median income (AMI). Inputs into this goal included hiring a full time housing counselor, training and certifying. Then goal number 2 created a curriculum and began implementing with in the Village of Walden community. The main positive outcome of this goal is currently 30 renters are enrolled in the FHC with verifiable start of savings. In addition to 20 have already completed housing counseling.

All of the activities set forth through goal number two have led OWN to complete the short-term goals. In my personal and professional opinion after working with people facing foreclosure is that people really want to pay their bills however many just lack a basic financial fitness. An example of coffee stops on the way to work in the morning often points out one spending habit that is often overlooked. For example if I stop at a coffee shop 5 days per week for a latte at \$4.17 per day. I continue this ritual for fifty week out of the year (providing I take two weeks vacation) I would spend \$1042.50 per year. Just by simply brewing my morning cup of coffee at home costing \$.35 per day I would not only be more environmentally friendly using a reusable mug but I would also save \$955 per year.

Goal 3: Replacement and recapture of foreclosed homes in the community – The outcome of the goal is stabilize the housing market within the community while creating increased capacity for community belonging and awareness. Below is a list of outcomes through goal 3

- Encourage policing
- Code enforcement
- Neighborhood watch
- Graffiti removal
- Afterschool programs
- Establish neighborhood association
- Board up programs/aesthetic attention
- Block party

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- Neighborhood clean up
- Community policing
- Lighting
- Increase employment: living wage jobs
- School & public improvement
- Increase graduation rates
- Murals
- Extended school programs
- Fire department, police department and inspections/health dept. collaborate and share crime, vandalism data in foreclosed properties or around them

X Conclusions and Recommendations

Housing needs addressed in this plan are based on the findings of two studies: “A Three-County Regional Housing Needs Assessment” published in April 2009 by the Planning Departments of Orange, Dutchess and Ulster Counties of New York (SOURCE: www.orangecountygov.com); and “Statewide Affordable Housing Needs Study: Mid Hudson Regional Report” published in October 2008 by the NYS Division of Housing and Community Renewal (SOURCE: www.dhcr.com).

These studies reveal an affordability gap despite the existence of down payment assistance programs and Federal Housing Administration (FHA) loans. An estimated 21,000 units are needed to fill current demand, particularly for the low-income population. Other needs include a new marketing message about homeownership—not everyone is suited to own a home, based on a variety of factors including income, lifestyle, etc. Education is a major need, in terms of educating homeowners on the importance of careful money management to protect against unforeseen setbacks, such as a loss of an income in a two-income household. Although homeowners should spend no more than 30% of income on housing costs, in reality homeowners are spending more—education is the key to breaking this destructive cycle.

Through implementation of OWN six goals naturally surfaced as the most important: affordability, financial literacy, Main Street development, a sense of livable, sustainable communities, and community collaboration/the education of municipal leaders and the general public.

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1. *Affordability*

Close the affordability gap through development of energy efficient homes, education about carrying costs, and promotion of alternative tenures and titling of property.

2. *Energy Efficiency and Environmental Issues*

Encourage and produce energy efficient residential and commercial units in support of sustainable communities and a healthy environment.

3. *Housing Counseling and Financial Literacy*

Make available educational opportunities in support of vibrant, diverse, livable and sustainable individuals, households and communities. Create informed and empowered homeowners and renters through pre- and post-purchase counseling, credit counseling, and budget education.

4. *Self-Sufficiency*

Develop and promote new universal design initiatives and supportive/special needs housing in support of individual and family self-sufficiency and aging in place. *Sense of Livable, Sustainable Communities*

A balance between growth and sustainability through asset identification and management and policy that encourages development around centers.

Connectivity, nurturing existing partnerships and building new relationships. Communities that foster inclusion, rather than exclusion; communities that are proactive, rather than reactive.

Initiate, document and address community development issues as they relate to housing, including quality of life and the sustainability of housing and communities.

5. *Community Collaboration/Education of Municipal Leaders and the General Public*

Changed municipal and public perception about affordable housing through the use of successful demonstration models and proper language and framing.

Promote new and to collaborate on existing housing and community development, sustainability, and education efforts in Orange County.

Establishing financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties (i.e. soft-seconds, loan loss reserves, shared-equity loans for low- to moderate-income homebuyers).

- _Purchasing and rehabilitating homes and residential properties that are abandoned or foreclosed.
- _Establishing land banks for foreclosed homes.
- _Demolishing blighted structures.
- _Redeveloping demolished or vacant parcels.

The housing crisis, a fluctuating population, and unemployment have led to an extremely high foreclosure and abandonment rate for homes in America. These foreclosed upon and abandoned homes have negatively affected most regions of the country, from dying Rustbelt cities, to newly constructed Sunbelt suburbs, to historic neighborhoods Opportunity Works in Neighborhoods was created to stabilize the neighborhoods and communities that were plagued by vacancy, foreclosure, and abandonment as a result of the housing crisis. Foreclosures destabilize economic, social, and physical conditions and have the

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potential to destroy a neighborhood. It is a colossal community development issue that adversely affects the neighborhoods they are located in, and thus, should be thought of as a local-level problem to solve.

Abandoned houses and declining property values also have a negative impact on services. Some schools are forced to close while other schools become overcrowded, as families double up due to foreclosure. Likewise, deterioration or demolition of properties can result in the loss of neighborhood character and sense of place. Homes that become vacant after foreclosure begin to deteriorate due to a lack of maintenance.

Reference:

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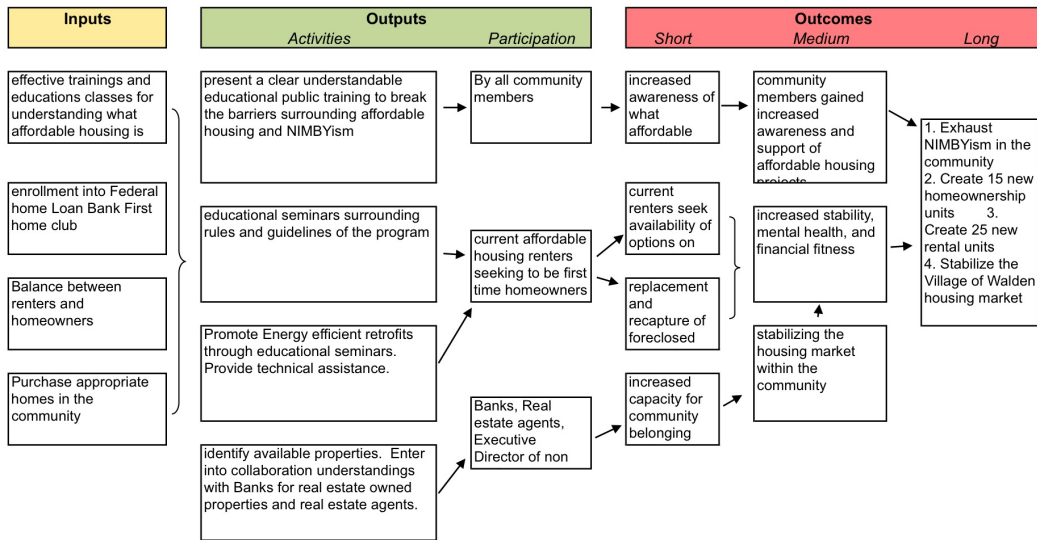
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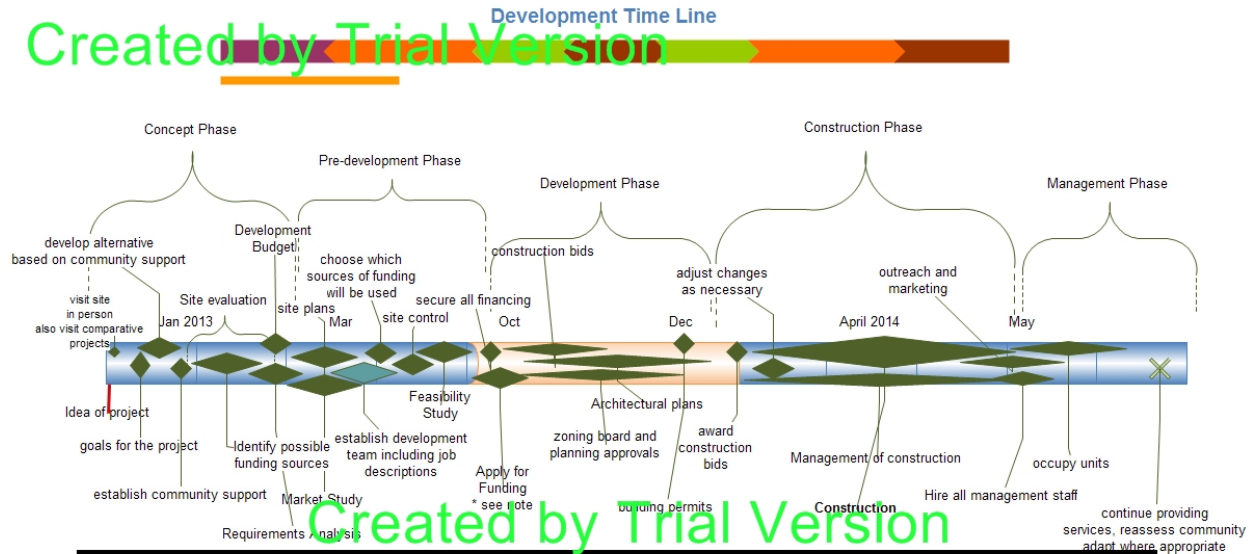
<http://www.nyshcr.org/Publications/HousingNeedsStudy/MidHudson.pdf>

XII Appendices

See attached
Logic Model
Timeline
Budget



Created by Trial Version



Comments

* New York state Homes and Community Renewal offers funding opportunities once a year. Based on this years funding deadline assumption is made for next year In 2012 \$17,415,609 were awarded in the Hudson Valley in CDBG funds and \$4,545,384 in HOME funds.

The Concept Phase is the initial phase of development consists of numerous decision making processes and studies as outlined. Here is where an idea comes to fruition by establishment of goals and determining the level of community support. Potential roadblocks in this phase are identified in the time line by alternatives to community support. Without adequate community support the project will not pass approval boards.

The predevelopment phase is important for an accurate market study to clearly show that the proposed project is appropriate for the proposed area. Also in the phase site plans are prepared, it would be suggested to avoid road blocks to have three separate sets of site plans available. Funding options are also identified in the phase all while negotiating and securing temporary financing. To avoid any delays multiple sources are negotiated at once.

The development phase is where all the hard work of the beginning two phases begins to expand. However, potential for delays also hits this phase hard. Planning, zoning, environmental and approval boards can delay a project significantly. Proper time and assessment during the concept phase establishing community support is essential to eliminating this problem.

The construction phase is outlined clearly in the time line. This phase comes with a number of potential delays from environmental, to lack of worker, to weather conditions.

The management phase or otherwise called the completion phase consists of assessing the continued needs of the community. The potential delays would not be able to occupy the completed units. Proper marketing a pre-application process can assist in avoiding this

Reference:

New York State, Unified Funding, retrieved October 21, 2012 from <http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2012/>

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project Budget	Budget	price per unit	
	Acquisition Cost	770,000.00	9,166.67
Construction/Rehab	11,130,000.00	132,500.00	
Contingency	445,200.00	5,300.00	4% constuction cost
Architect	390,000.00	4,642.86	
Attorney	175,000.00	2,083.33	
Consultants	25,000.00	297.62	
Financing Costs	761,000.00	9,059.52	
Reserves	328,000.00	3,904.76	4000 [per unit
Developer Fees	1,369,620.00	16,305.00	10% development cost not including reserves
	15,393,820.00	183,259.76	

Development Budget OWN	Budget	Bank Loans	LIHTC	HOME	Private Grants	TOTAL	
	Acquisition Cost	770,000.00	0.00	0.00	0.00	770,000.00	770,000.00
Construction/Rehab	11,130,000.00		5,565,000.00	5,565,000.00	0.00	11,130,000.00	
Contingency	445,200.00	0.00	245,200.00	200,000.00	0.00	445,200.00	
Architect	390,000.00	100,000.00	100,000.00	190,000.00	0.00	390,000.00	
Attorney	175,000.00	0.00	100,000.00	75,000.00	0.00	175,000.00	
Consultants	25,000.00	25,000.00	0.00	0.00	0.00	25,000.00	
Financing Costs	761,000.00	0.00	700,000.00	61,000.00	0.00	761,000.00	
Reserves	328,000.00		28,000.00	300,000.00	0.00	328,000.00	
Developer Fees	1,369,620.00	0.00		0.00	1,369,620.00	1,369,620.00	derfered payments
	15,393,820.00	125,000.00	6,738,200.00	6,391,000.00	2,139,620.00	15,393,820.00	