



Bend-Redmond
Habitat
for Humanity®

City of Bend AHAC May 12, 2021





**Requesting
AMI adjustment
for 3 properties**

History

- In 2019 we were awarded \$364,000 in AHF
 - Infrastructure for NW Cottages and Watercress
 - Grant written with 80% AMI max
- Internal review showed us that the repayment terms for Habitat was not financially feasible for all land lease models
- Feb 2020, we approached AHAC to request a change in use
 - Approved!
 - \$260,000 to purchase 3 lots
 - Returned the remaining \$164,000

NW Cottages lot #10 @ \$60K



Indigo Lane

\$95K



Logan Ave

\$105K



**Why we are
requesting
a change**

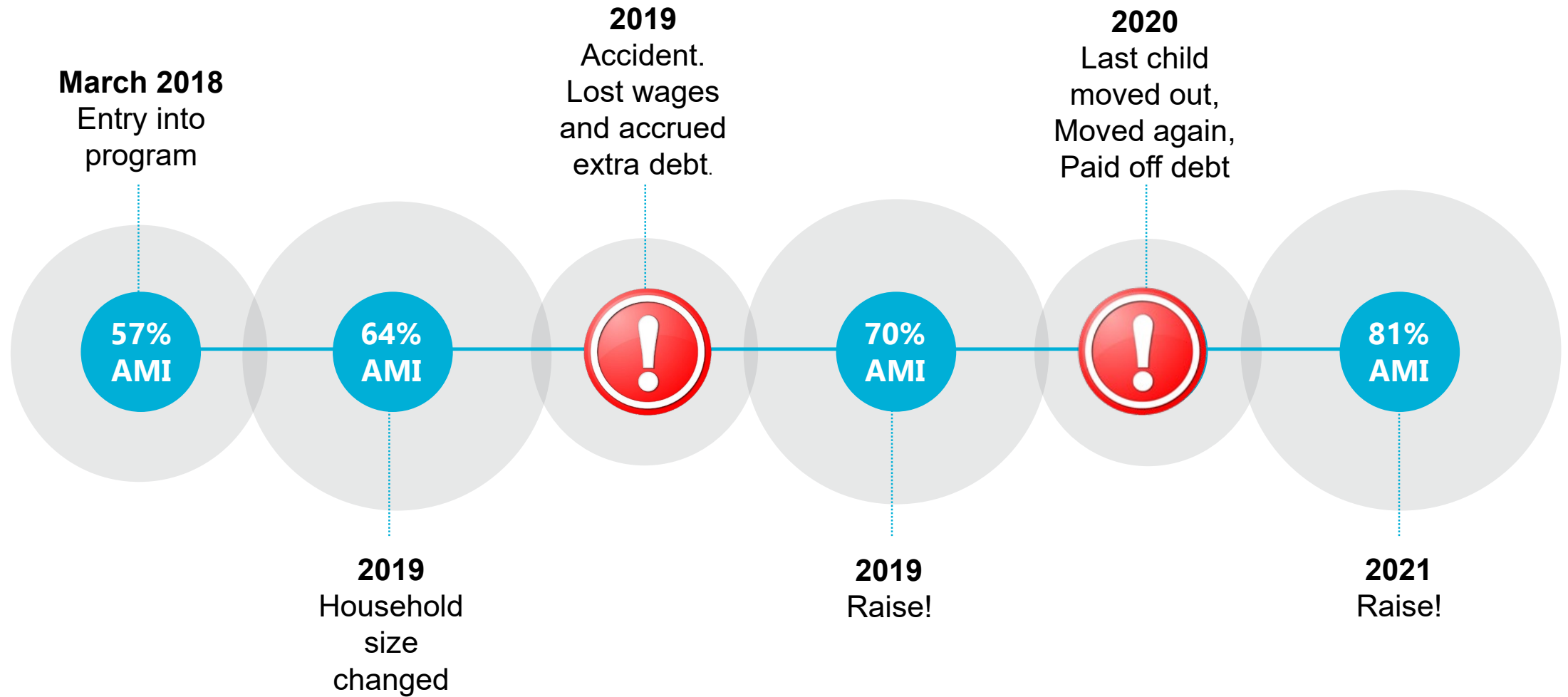


Susan's Story

- Susan joined our program after a 20-yr abusive relationship
- Suffered setbacks while in program
- Completed program requirements
- Is now facing disqualification

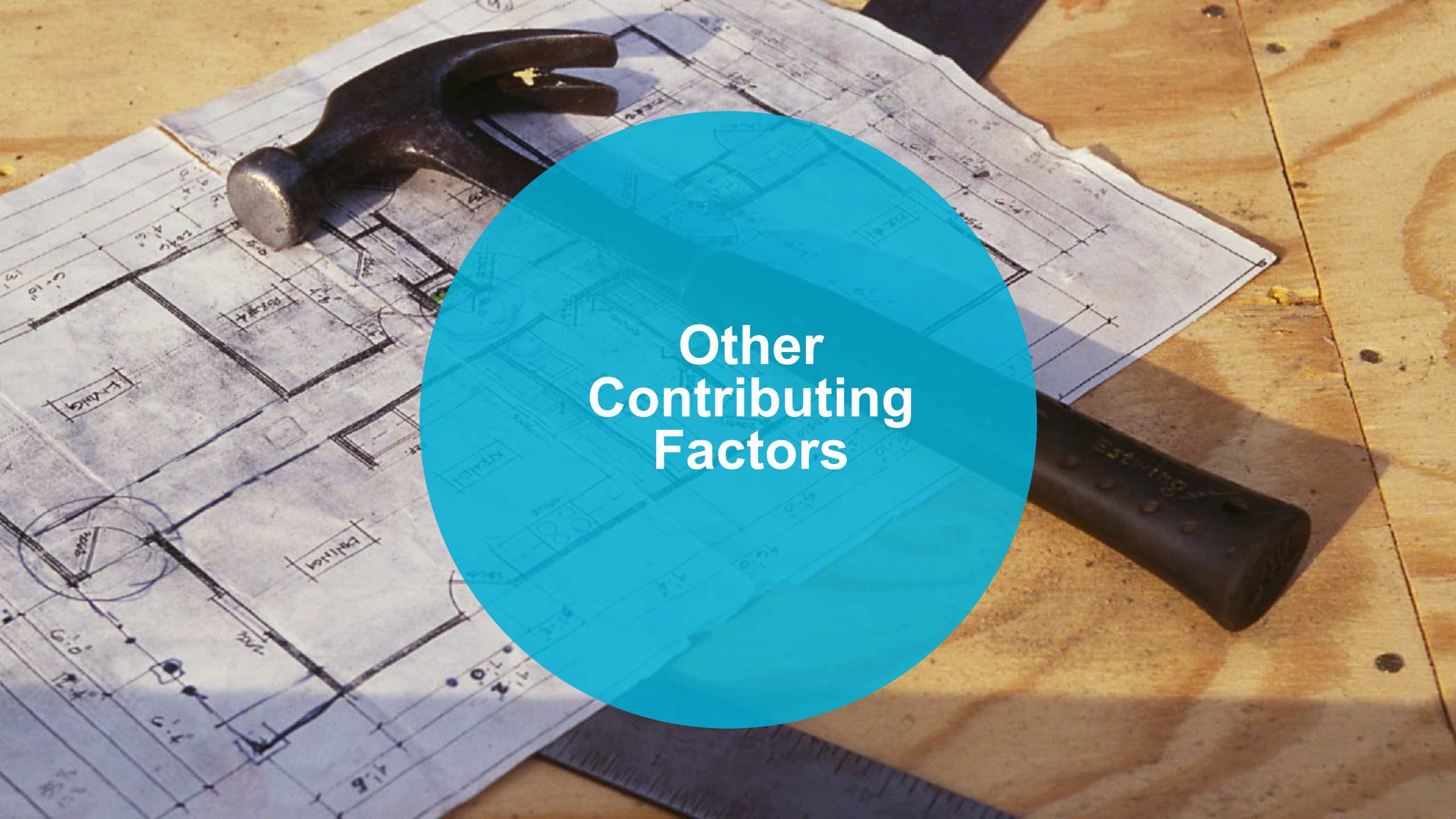


Susan's Journey



What are Susan's Options?

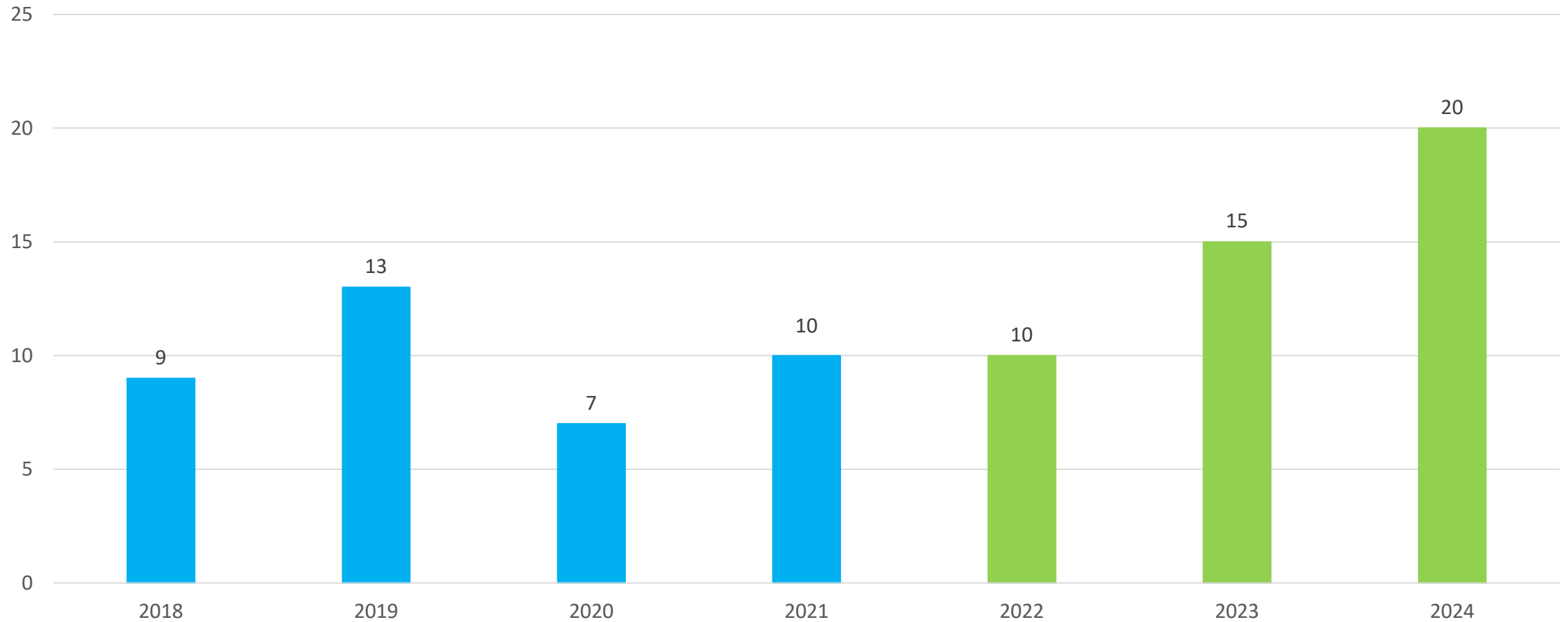
- After 3 years in our program, she is now at **81%** AMI.
- She cannot live in any of our LIFT properties
 - 92.5% of our next 40 homes are LIFT properties, restricted to 80% or less
- **Option 1** – wait for AHAC / City of Bend decision on extending AMI to 100%
 - Not LIFT properties
 - Logan, Indigo, or NW Cottage site
 - Her mortgage will be based on 33% of her income, TBD but likely <\$250,000
- **Option 2** – Disqualify her from our program
 - As of 4/1/21, there are ZERO homes for sale < \$250,000
 - Unstable future
 - Unlikely sustained financial freedoms and successes



**Other
Contributing
Factors**

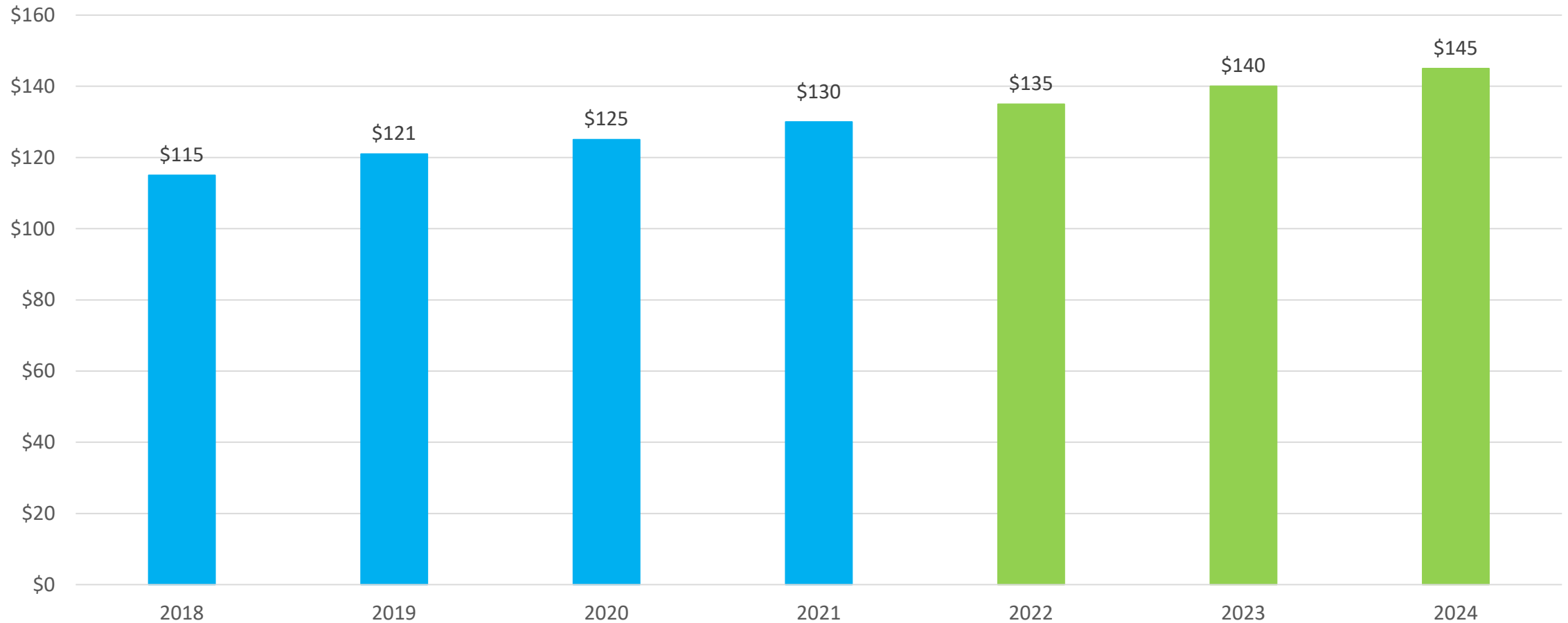
Homes Built Per Year

Homes Completed



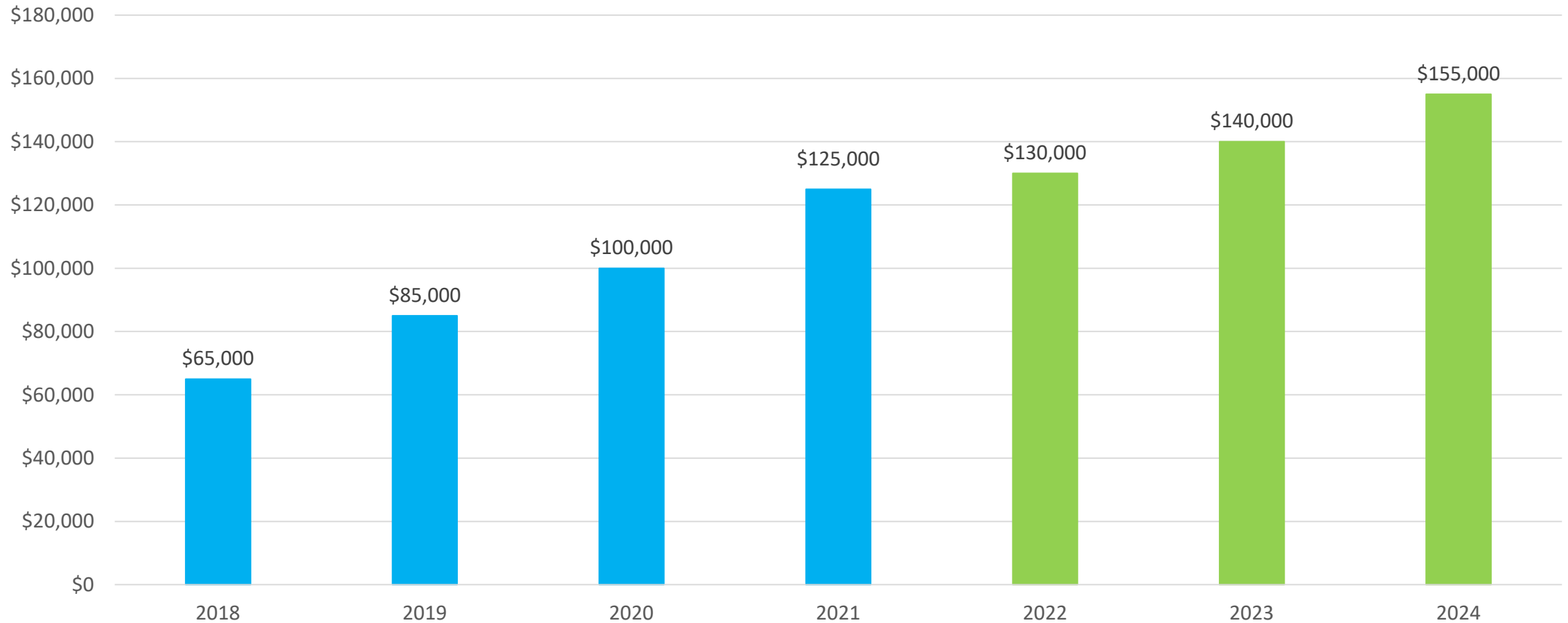
Cost of Construction

Cost per Sq Ft

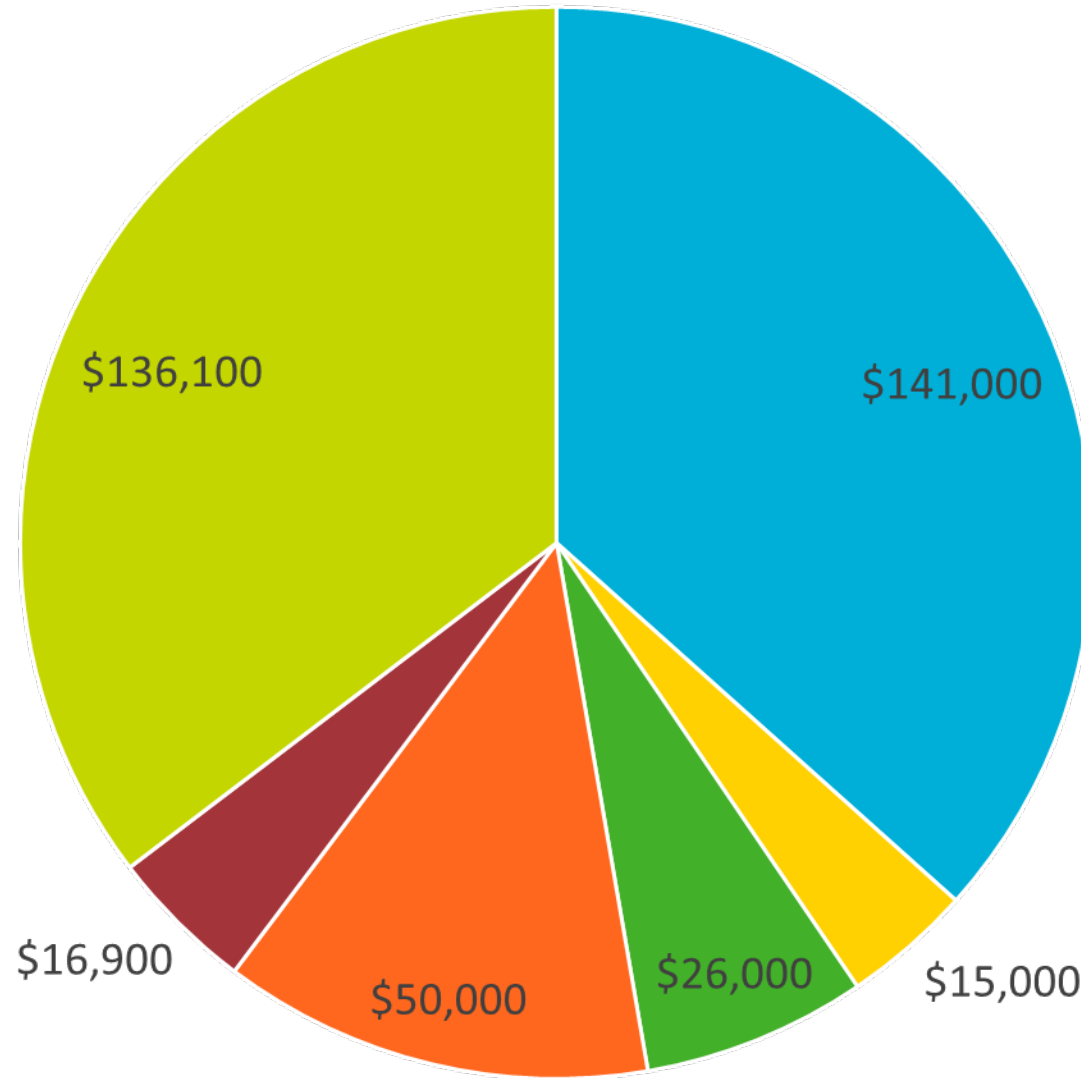


Subsidy per house

Average Amount

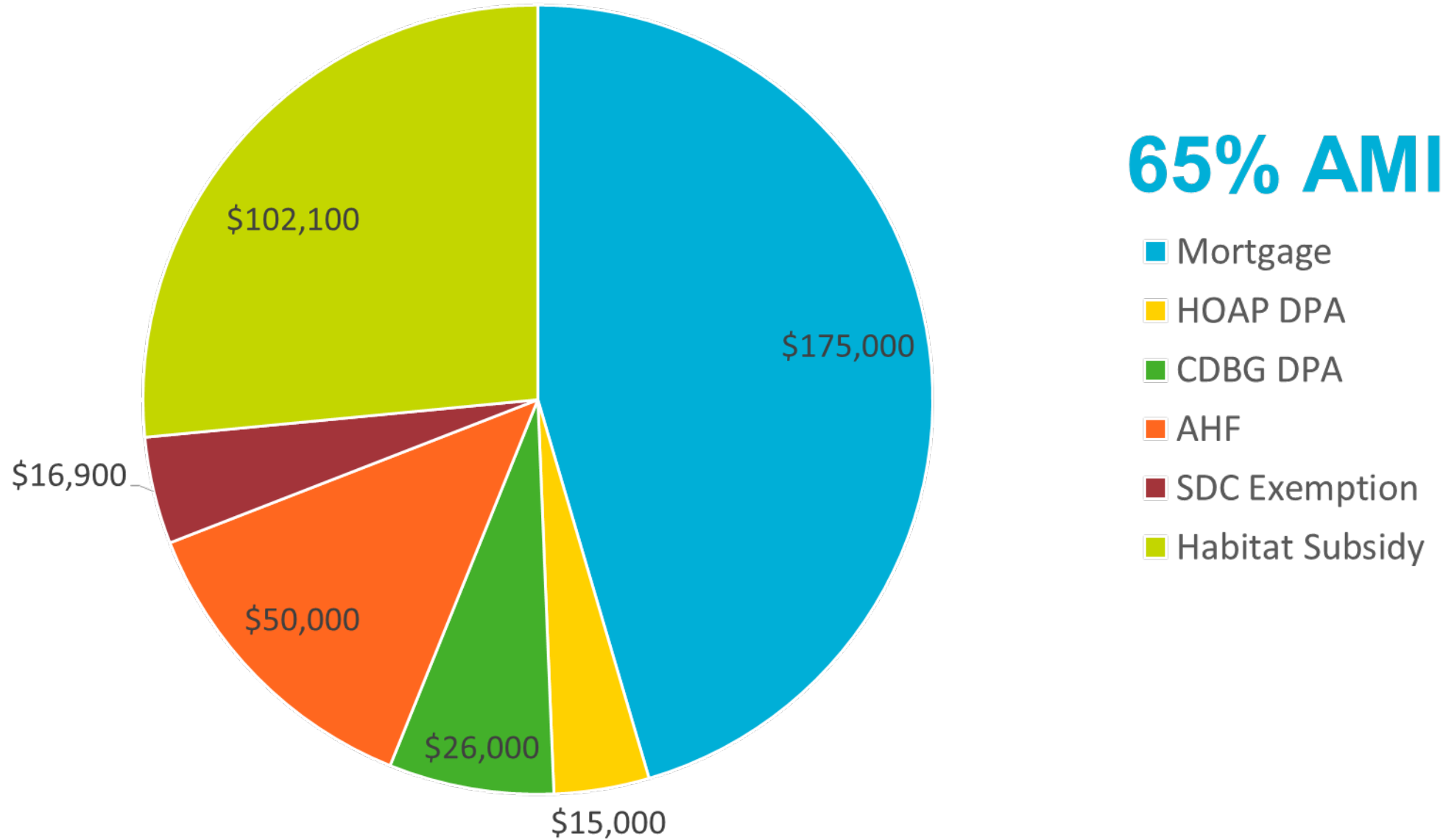


50% AMI

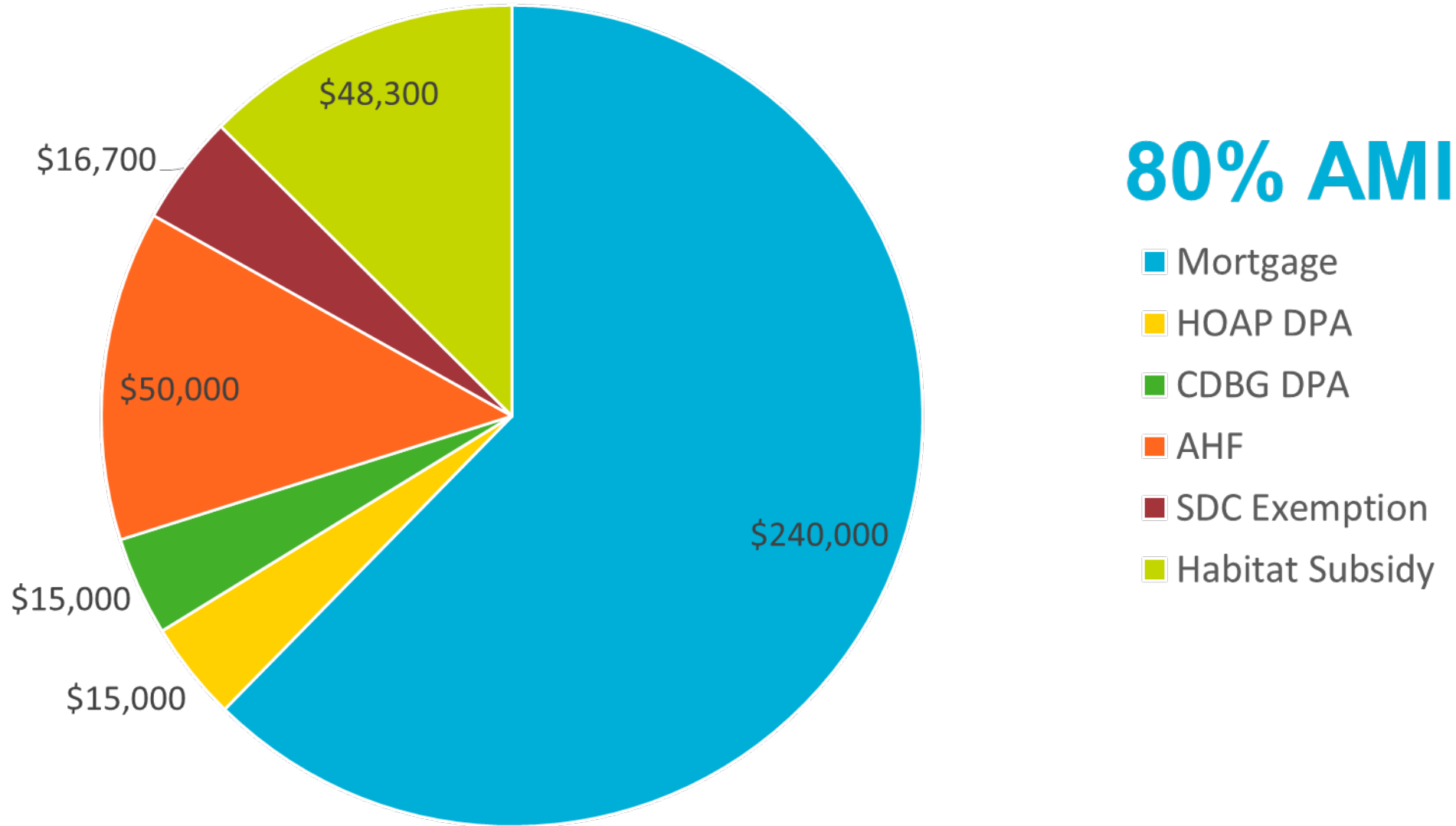


- Mortgage
- HOAP DPA
- CDBG DPA
- AHF
- SDC Exemption
- Habitat Subsidy

65% AMI



80% AMI



What We Want You to Know

- The need for affordable homeownership is undeniable, and we are ramping up our # homes built annually to help meet the need.
- However, with increased construction costs, our subsidy also increases dramatically.
 - This makes it harder to serve families at or below 80% AMI
 - To try to manage the subsidy, we no longer can accept CDBG/AHF repayable loans for our LIFT projects
 - We are already limited to 80% AMI by LIFT, thus we need some properties at 100% AMI
 - When we wrote the CDBG application in 2019 and specified 80% AMI, we did not know what we know now!
 - Seeking adjustment to allow 100% AMI at all 3 properties

What Also Want You to Know

- Rental units help AHAC and City Council quickly reach the goal of # units and they are built quickly
 - They solve an immediate need
 - But they also perpetuate the problems our clients, and therefore our community, faces
- We understand the life-changing value of homeownership
- Please continue to support our work and fund our projects

LIFT
Clarification
(loan vs grant)



A high-angle photograph of a person wearing a white hard hat and a plaid shirt, kneeling on a green lawn. The person is looking down at a rectangular patch of bare, dark brown soil that has been dug out from the grass. The rest of the lawn is lush and green. The person is positioned on the right side of the frame, with their back to the camera.

Questions