



June 2016

**Creating Affordable Homeownership Opportunities for Low-Income Families in Chelan and Douglas Counties**

# 2016 Annual Report

## Down Payment Assistance Critical During Housing Shortage

In November 2015, the Washington State Housing Trust Fund awarded Columbia Valley Affordable Homeownership \$258,662 to provide down payment assistance loans ten low-income families. This was welcome news after a complete cut to funding for homeownership programs throughout the state during the recession.

With rental vacancy rates dropping rapidly in 2014-2015 and rental rates skyrocketing as a result, low-income families were eager to explore homeownership options. Combining the grant funds with CVHA recycled funds, we were able to assist 14 families in 2015 and 2016 to purchase their first home.

Three of these families were on

Section 8 and successfully moved into the homeownership program, four families were caring for children with severe disabilities, and nine of the twelve were single mothers with children.

Most of the Housing Trust Fund money was used quickly in 2015 as housing prices continued to soar and affordable housing stock dwindled. Sales prices ranged from from \$128,000 for a condo unit to \$253,400 for a new home purchased by a nurse working at the new Stemilt clinic. Average home price was \$190,950.



**New homeowner Farrah McGuffin cuddles by the fire with son Micah in their new home purchased for \$150,000 through the Section 8 Homeownership Program with \$25,000 downpayment assistance from Columbia Valley.**

## CVAH Scores With Successful Crowd-Funding Campaign

"We're being dragged into the 21st century kicking and screaming," reported Executive Director

Sherri Schneider to the CVAH Board of Directors upon announcing a grant awarded by the Community Foundation in November 2016.

The Regional Impact grant was awarded to reach our community with success stories and

the positive message about affordable housing, including website development, community outreach, fresh information to lenders and agency partners and strategic visioning. \$7500 was awarded directly, with the remaining \$25000 to be earned through crowd funding via an intense social media campaign. Despite many fears and anxieties that this couldn't possibly work, Columbia Valley was fully crowd-funded within only two days!



## Why Homeownership is Important to Low-Income Families

Homeownership improves conditions for childhood development

Homeownership insulates low-income families from rising housing costs.

Homeownership reduces domestic and community violence.

Homeownership builds wealth through equity. For the vast majority of low-income homeowners, housing wealth is their only source of wealth.

Homeownership invests millions of dollars back into our local economies.

Homeownership builds healthier neighborhoods and increases cultural understanding.

The children of homeowners do better in school and the job market than the children of renters.

*Excerpts from "The Homeownership Experience of Low-Income and Minority Families: A Review and Synthesis of the Literature", US Dept of Housing and Urban Development, Office of Policy Development and Research*

*“Great news! We sold our house and bought one in East Wenatchee. I would like to thank you and Columbia Valley Affordable Homeownership for helping us get into our first home—it would have been impossible for us to do so without your program. I am very grateful that my repayment can now help someone else who was in my same situation!”*

*Kort and Jessica Schank*

*Feb. 2016*

## CVHA Financial Overview Looks Great

After the stress of surviving government cutbacks in funding for affordable homeownership projects during the recent recession, Columbia Valley Affordable Homeownership found itself in excellent financial health at the end of 2016. Careful financial management of reserves and a lean operating budget kept CVAH afloat during 2013 and 2014 and led to the development of new smaller sources of revenue which have continued to positively affect our finances.

Grant revenue from homeownership and financial counseling provides 10-15% of total operating expenses annually.

By summer of 2015, when the financial outlook was bleakest, news came in from the Hous-

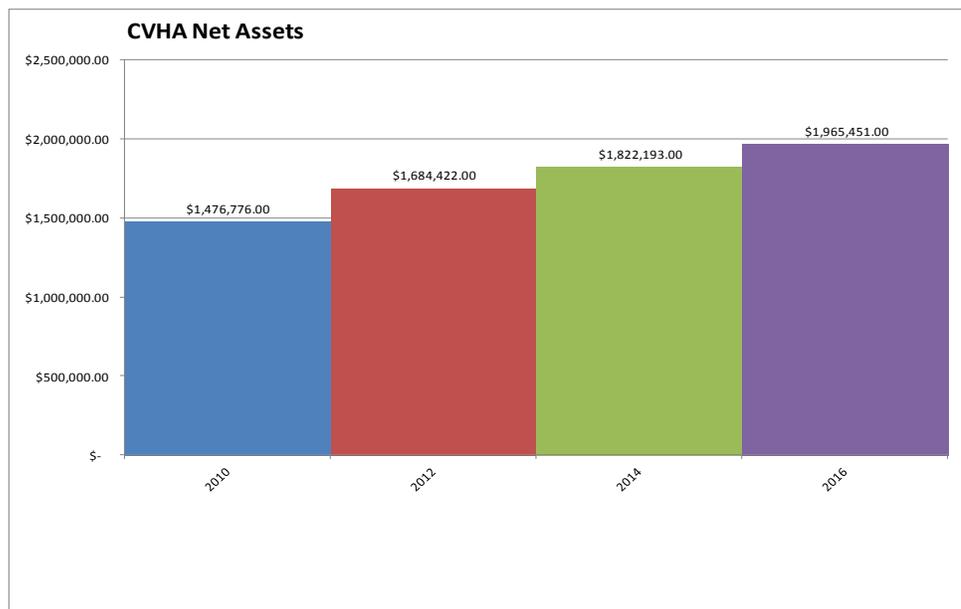
ing Trust Fund that CVAH had made the final cut for a grant award of \$258,662, unexpectedly mandated by conservative legislators as part of 100 units of homeownership funding to be included for 2016. Since all affordable housing funding had been shifted to housing projects for the most vulnerable due to huge state revenue short-falls during the recession, few homeownership organizations had finished the grant submission process in time to be ready for the last-minute change. CVAH was ready!

With the threat of rising interest rates motivating many homeowners to look into refinancing their mortgages, 10 homeowners fully paid off their DPA loans from CVHA with successful refinance

packages and several others refinanced for lower payments with resubordinations of their second loan from CVHA. This resulted in \$170,000 in repayments going back into our loan fund to be used by new low-income families. CVHA also received close to \$43,000 in interest payments and 10% administrative fees from these and other repayments over the 2015-2016 period.

By mid-2016, even with down payment assistance, there were few homes left on the market affordable to low-income families.

With operating expenses continuing to remain low, our cash reserves grew slightly to \$272,000 by December 2016 and CVAH net assets grew to just under \$2 million.



## Milestones and Major Funding

Columbia Valley Housing Association (CVHA) was created in 1996 by staff and board members of the Housing Authority of Chelan and Douglas Counties to create more opportunities in our local area for low-income families to move out of rental situations and into homeownership. The organization expanded its name to Columbia Valley Affordable Homeownership in 2013 for clearer marketing and outreach purposes.

**1997:** Planning begins for construction of the Eastview subdivision of 21 lots of affordable housing in South Wenatchee. Low-income families helped build their own homes using Self-Help Opportunities Program (SHOP) funding and down-payment assistance from Washington's Department of Commerce.

**2004:** Construction is finished in Chelan on the Riverview subdivision with 16 lots of affordable housing for local working families no longer able to afford the skyrocketing housing prices in Chelan. Funding for the project came from Federal Home Loan Bank of Seattle and the Department of Commerce.

**2007:** City of Wenatchee awards \$250,000 in CDBG funds to develop a Community Land Trust Program. Six very low-income families realize their dream of homeownership through a 99-year land lease program that keeps monthly mortgage payments affordable.

**2007-10:** Columbia Valley Housing is awarded a total of \$850,000 by Washington State Department of Commerce's Housing Trust Fund to provide down payment assistance to low-income families buying their first home using deferred payment loans of up to \$25,000. All repayments return to CVHA revolving loan programs which continue to help new families.

**2009:** Columbia Valley Housing, with funding from City of Wenatchee, assists inhabitants of the soon-to-be-demolished Ninth St. trailer park to find new homes or leased land for their mobile homes.

**2011:** \$362,500 of funding is granted from the Housing Trust Fund for another round of down payment assistance to low-income families in Chelan and Douglas counties trying to buy their first home.

**2013:** City of East Wenatchee awards \$62,500 of funding for mortgage reduction for low-income families purchasing their first home within city limits. The unexpected grant comes from unused Community Development Block Grant funding.

**2013-2016:** \$16,500 in funding is awarded for providing pre-purchase homeownership counseling by the Washington State Housing Finance Commission.

**2015-2016:** After a complete cut to homeownership programs across the state during the recession, the Housing Trust Fund awards \$258,662 for CVHA's down payment assistance program when lawmakers read Ruben Ramirez's housing success story.

*"If it wasn't for the homeownership program, I wouldn't own my home today. I'd been renting for 8 years and desperately wanted a way out of the cycle of flushing money down the toilet. The only way to build wealth for someone in my situation—not being able to save money each month—was to own. Building equity would be my "piggy bank". The Family Self Sufficiency program and down payment assistance programs provided the education and resources to dig deep and accomplish my goal."*

*Eden Moody*

## Mission

Columbia Valley Affordable Homeownership is a community-based 501(c)3 non-profit organization whose mission is to strengthen our community through affordable homeownership opportunities in Chelan and Douglas Counties. We provide home-buyer education, financial support and financial counseling with the vision to empower long term self-sufficiency in low-income families.

Columbia Valley Affordable Homeownership

Columbia Valley Housing Association

## Board of Directors

**Alan Beidler**-President  
*Owner (retired)*  
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Peoples Bank

**Josh Mitchell**  
*Energy Efficiency Advisor*  
Chelan County PUD

**Windy Montero-Strauss**  
*Sr. Mortgage Lender*  
Cornerstone Lending  
(Advisory)

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## Affordable Housing Programs

**Down Payment Assistance:** Low-interest, deferred payment loans for down-payments and closing costs provided to low-income families and individuals at or below 80% of area median income.

**Eastview and Riverview Place:** New construction of affordable, single-family residences on smaller lots with perpetual assistance to each homeowner's association.

**Community Land Trust:** Specially protected properties with a 99-year ground lease and lower monthly mortgages for very low-income and/or disabled families at or below 50% AMI.

**Forgivable Loans:** provided to very low-income families through Community Development Block Grants, Regional Affordable Housing Programs and Federal Home Loan Bank of Seattle.

**Revolving Loan Fund:** 90% of every principal repayment made by homeowners returns to our revolving loan program to help new families purchase their first home.

**Homeownership Counseling:** Free one-on-one counseling in English or Spanish that explains budgeting basics, shopping for a loan, credit repair, interest rates, amortization, home equity, and details about CVHA programs.

*"Words cannot explain how thankful I am to have met such an angel like you!! You helped my daughter and I make our dream come true!"*

**Karina Covarrubias**

*-March 2015*