

Miami Valley Long Term Recovery Operations Group Tornado Survivor Pathway to Homeownership Project Overview

Background:

The Miami Valley faces significant challenges within some of our communities in terms of a lack of affordable housing and an abundance of vacant and abandoned nuisance properties. The 2019 Memorial Day tornadoes further exposed and exacerbated these problems, damaging thousands of properties and displacing hundreds of households. According to Montgomery County's damage assessment - nearly 6,000 properties were damaged and over 2,200 of these incurred major damage or were destroyed. Included in this tally were 8 apartment complexes where the damage was so severe that all or part of their units were subsequently condemned. Based on FEMA data it is estimated that 42% of the tornado-damaged residences in the region were inhabited by renters.

Additionally, the most heavily damaged communities (Harrison Township, Trotwood and Old North Dayton) are high poverty areas and home to some of our most vulnerable populations. A great number of survivors carried no insurance and lack the personal resources to recover on their own. These individuals are amongst the more than 2,000 survivor families that the Long Term Recovery Operations Group (LTRG) has been assisting over the past eighteen months.

Most LTRG disaster-damaged home repair is limited to owner-occupied residences. We continue to actively work to complete these repairs and rebuilds. Renters have been assisted in securing alternative housing and the replacement of critical possessions, but given the shortage of affordable housing in these communities, many of the re-homing options they had to choose from were either undesirable (lower quality, inadequate size, or not in their home neighborhoods) or unsustainable (beyond what they can afford long-term). As a result, we're aware that some of these renters have had to relocate multiple times in the 18 months since the tornadoes. Providing a pathway to homeownership for these survivors will help ensure that they have safe and affordable housing, and that the ongoing cost of sheltering their families will be substantially lower than what they have been paying in rent. **Stabilizing these disaster-impacted families is critical.**

The neighborhoods in Harrison Township, Trotwood and Old North Dayton were already struggling with the challenges that accompany urban, high-poverty regions including nuisance properties that negatively impact neighborhood safety and property values. Jurisdictional leadership continuously works to drive absentee or negligent owners to remediate issues, to control access to vacant properties, and to have dangerous properties declared as such and demoed. The tornadoes and the resulting damage to homes throughout these neighborhoods has further intensified the challenges these jurisdictions face in maintaining their communities' housing stock. **Assisting disaster-impacted jurisdictions in mitigating these challenges to further stabilize their communities is critical.**

Opportunity

- Our region struggles with a lack of affordable housing and an abundance of nuisance properties and vacant lots.
- Fostering the transition of nuisance properties and vacant lots to affordable single family housing options would be highly advantageous for both the communities and our citizens.
- Einstein’s quote resonates - *“In the midst of every crisis, lies great opportunity”*. Tornado recovery efforts have connected our community to new resources (volunteer build teams and funding sources) and communities are even more engaged in the collective bettering of our region.
- We now have the opportunity to leverage these resources and community engagement to create affordable single family housing opportunities for tornado survivors, and to stabilize and improve impacted neighborhoods in the process.

IN THE MIDST OF EVERY
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ALBERT EINSTEIN

Project Overview Summary

Qualified Survivors

- Disaster Case Managers identify potential homeowners and work with them to complete the Pathways application
- The HomeOwnership Center of Greater Dayton’s existing screening, qualifying, educational, financing, and management processes are leveraged to prepare applicants for home ownership.

Available Properties

- Tornado-impacted jurisdictions and the Montgomery County Land Bank identify available properties (rehab and lots) from which project home locations will be selected. These properties are then transferred to the Montgomery County Land Bank or County Corp for holding before and during construction.

Adequate Resources

- Tornado rebuild partners and capable community organizations construct or rehab homes.
- The LTRG provides survivor application support, construction management and fundraising assistance, and assists in securing volunteers and donations of product and services.
- Funding is secured from beyond the LTRG through individual and organizational charitable donations, grants, and government sources.
- Qualified survivors receive down payment assistance to ensure affordability and purchase the homes at market rate. Proceeds upon sale go back into the program to build additional Pathways homes.



Project Overview Detail

Qualified Survivors

Interested and potentially eligible households are identified by the LTRG's Disaster Case Managers (DCMs). DCMs assist clients in completing the HomeOwnership Center's Intake Packet and provide direct referrals to a designated point of contact there. The HomeOwnership Center is an existing, non-profit organization that focuses on empowering people to achieve and sustain home ownership and financial success.

Households are required to work with the Homeownership Center to complete required homeownership courses and secure a mortgage. Participating households commit to paying up to 30% of their income towards their mortgage, maintaining homeowner's insurance for the duration of their residence in the home, and making the house their primary residence (no sub-lets). Down payment assistance will be provided through financing banks and/or alternative sources and a 5-year silent second mortgage will be placed on the properties. Twenty percent of the down payment assistance will be forgiven each of the five years.

Available Properties

The Montgomery County Land Bank and impacted jurisdictions currently hold numerous properties in their possession that they have offered in support of this initiative and the citizens they serve. Properties will typically be transferred to the Land Bank for an interim hold pre-construction. County Corp, Montgomery County's non-profit affordable housing organization, serves as the lead agency for this project and will hold title to the properties during construction. The individual property deeds will be transferred from County Corp to the new homeowners upon satisfactory completion of all prerequisites and execution of purchase.

Adequate Resources

Partners

The tornado recovery build partners (VOADs – Voluntary Organizations Active in Disasters) actively advocated for this project. Their interest and engagement allows us the opportunity to further leverage the capabilities and passion of their teams to develop affordable housing options for tornado-impacted households that might not otherwise be able to afford a home.

Several of these partners have had the opportunity to do similar, small-scale projects in other disaster areas including New Jersey (post Hurricane Sandy) and Texas (post Hurricane Harvey). We envision our project as an opportunity to scale best practices and are confident that our community will reap extraordinary benefits from this work. The majority of labor to complete the homes will be provided by volunteers. Additionally, the LTRG will seek skilled and semi-skilled construction volunteers and licensed tradespeople who are willing to donate their time for systems installation (plumbing, electrical, HVAC, etc.). Many of the VOAD partners have also made financial contributions to seed the project.

Current Partners in the Project Include:	
<ul style="list-style-type: none"> • Brethren Disaster Ministries • Christian Church (Disciples of Christ) • Lutheran Disaster Response • United Church of Christ • Mennonite Disaster Service • Disaster Aid Ohio • MVLTRQG • County Corp • Habitat for Humanity of Greater Dayton • Sinclair Community College • Montgomery County Land Bank 	<ul style="list-style-type: none"> • HomeOwnership Center • City of Trotwood/Trotwood CIC • Harrison Township • City of Dayton • Montgomery County • MVRPC • Crossroads Church • Presbytery of Miami Valley • Mike Battaglia, Residential Design • Old North Dayton Neighborhood Association

Funding

The financial resources required for this project will be secured from organizational and individual donors, as well as available state and local sources. We are actively seeking sponsorships of homes and have established a fund at The Dayton Foundation to support that effort (Tornado Survivors Pathway’ to Home Ownership Project – Fund #8561).

All funds raised will in essence be supporting affordable housing in perpetuity. As individual homes are purchased by survivors the funds will be recouped by County Corp and leveraged to support the construction of the next project home. Upon the completion of the Pathways Project the recycled funds will be applied to County Corp’s continued construction of affordable housing in the community.

Anticipated Outcomes:

- Phase I - Pilot – 6 new homes built for Phase I of the project (1 or 2 in each of the 3 identified jurisdictions – Trotwood, Harrison Township, City of Dayton)
- Phase II – 12+ additional homes (new and rehab) across the three jurisdictions
- Homes will be a mix of new construction and rehabs. New home plans will be selected from Mennonite Disaster Service, Habitat for Humanity and County Corp models and will be chosen to meet both individual family requirements, and for appropriate fit for the designated build lot and neighborhood.



Preliminary Budget Assumptions:

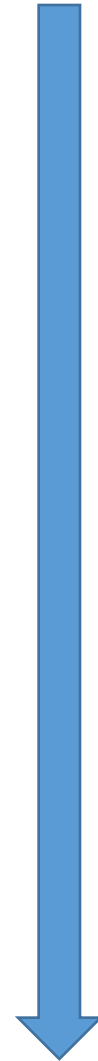
- Estimating a total cost of \$150,000 per home for budget purposes (including labor, materials, any property related acquisition and holding costs)
- Availability of additional funding sources will bring additional opportunities. The overall scale of project is yet to be defined depending on the determination of available resources (funding and firm labor commitments).

Pathways - Survivor Process Overview

<p style="text-align: center;">Interested Survivor</p> <ul style="list-style-type: none">• Verified tornado-impacted• Non-homeowner• Ability to become mortgage-ready within 1 year• Up to 120% AMI income threshold. Priority given to those at or below 80% AMI.
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<p style="text-align: center;">Survivor Applies for Program</p>
<p style="text-align: center;">Survivor Meets with HomeOwnership Center Counselor</p> <ul style="list-style-type: none">• Identifies barriers to mortgage readiness• Determines affordability• Receives coaching and classes
<p style="text-align: center;">Survivor Works to Become Homeownership and Mortgage Ready</p>
<p style="text-align: center;">County Corp Shares Available Home Information (survivor within one year of being mortgage ready)</p>
<p style="text-align: center;">Survivor Can Select and Execute a Purchase Option for a Particular Property</p>
<p style="text-align: center;">Home Construction is Completed (Survivor with purchase option may be involved in finish selections during construction)</p>
<p style="text-align: center;">Survivor Executes Purchase Survivor secures mortgage and may receive assistance to ensure affordability</p>



Pathways - Property Development Process Overview

<p style="text-align: center;">Review Available Properties</p> <ul style="list-style-type: none">• Potential properties in target areas are identified from those in jurisdictional, CIC, LandBank and private donor possession• Assess property viability for project
<p style="text-align: center;">Viable Properties (lots and rehabs) are Identified and Requested from Current Holders</p>
<p style="text-align: center;">Selected Properties Are Transferred to Project</p> <ul style="list-style-type: none">• Properties are typically transferred to the LandBank for interim hold• May be transferred directly to County Corp in some instances
<p style="text-align: center;">When Next Build is Eminent</p> <ul style="list-style-type: none">• Select Target Property for Development• Transfer Property to County Corp• Identify Available Build Team• Identify Home Plan Appropriate for Lot and Prospective Family Needs
<p style="text-align: center;">Secure Plans and Permits</p>
<p style="text-align: center;">Commence Construction - Build or Rehab</p>
<p style="text-align: center;">Completed Home is Purchased by Survivor</p> <ul style="list-style-type: none">• Proceeds from Sale are Allocated to Next Home

