



--Amendment--

Consolidated Plan 2003-2007

**Submitted by the Thurston County HOME Consortium
July 15, 2004**

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Amendment to 2003-2007 Consolidated Plan for Thurston County

ADDI Program Narrative

The goal of the Thurston County HOME Consortia American Dream Downpayment Initiative (ADDI) Program is to provide down payment assistance in the form of a second mortgage for low income first time homebuyers who reside in Thurston County and to help these program participants develop financial self-sufficiency through homeownership and realize their goal of homeownership.

A revolving loan fund will be developed to provide down payment assistance through a second mortgage. This “silent second” mortgage will be repaid to the ADDI revolving loan fund upon sale, title transfer or refinance of the subject property.

This is a comprehensive program designed to prepare program participants for homeownership through intensive group and one-on-one counseling sessions, educate participants about the home buying process, provide access to the area real estate market, and provide post purchase counseling for new homeowners. This layered counseling will help ensure that program participants are successful in buying and maintaining their new home.

The HATC already operates a homeownership counseling and downpayment assistance programs. This program is regularly marketed to Housing Choice Voucher Program participants. This counseling program is available to all Thurston County community members interested in purchasing a home. The HATC will expand our marketing effort to ensure that tenants of manufactured housing are incorporated in our marketing efforts.

BARRIERS TO AFFORDABLE HOUSING

A variety of factors and conditions cause housing to become less affordable. While some of these are market driven, others are related to other factors such as the cost of land and zoning. The impact of many of these barriers can be reduced.

The County's Comprehensive Plan notes that households are becoming smaller, and people are living longer. The result is an "over-housing" phenomena which results in households having more house than they can afford on the one hand, and denying the market of housing needed for larger families on the other. Other factors are the lot size requirements for single family homes, the costs of mitigating environmental impacts and the cost of raw land. Washington State relies on the property tax as a primary source of state income. In the absence of a state income tax, property taxes are high, and the cost of these taxes is either borne directly by homeowners or indirectly passed on to renters by property owners. Energy costs have also served as barriers, having escalated sharply over the past several years. The community is pursuing several strategies and activities to lower barriers for affordable housing.

The County Comprehensive Plan outlines a number of actions that can be taken¹:

- ❑ Focus on locating housing in urban areas
- ❑ Community or housing land trusts
- ❑ Co-housing
- ❑ More government participation
- ❑ **Implement First-Time Home Buyer Program**

The HATC already operates a homeownership counseling and downpayment assistance programs. HATC will incorporate ADDI funds into this program design. This program is regularly marketed to Housing Choice Voucher Program participants. This counseling program is available to all Thurston County community members interested in purchasing a home. The HATC will expand our marketing effort to ensure that tenants of manufactured housing are incorporated in our marketing efforts.

The goal of the Thurston County HOME Consortia American Dream Downpayment Initiative (ADDI) Program is to provide down payment assistance in the form of a second mortgage for low income first time homebuyers who reside in Thurston

¹ Thurston County Comprehensive Plan, 1995 update

County and to help these program participants develop financial self-sufficiency through homeownership and realize their goal of homeownership.

A revolving loan fund will be developed to provide down payment assistance through a second mortgage. This "silent second" mortgage will be repaid to the ADDI revolving loan fund upon sale, title transfer or refinance of the subject property.

This is a comprehensive program designed to prepare program participants for homeownership through intensive group and one-on-one counseling sessions, educate participants about the home buying process, provide access to the area real estate market, and provide post purchase counseling for new homeowners. This layered counseling will help ensure that program participants are successful in buying and maintaining their new home.

Accessory dwelling units are allowed in Urban Growth Areas, for farm housing associated with agricultural uses and for temporary family units in most rural residential zoning districts. The county also allows manufactured housing where site-built housing is permitted.

The City of Olympia is taking several actions to reduce the barriers. Among them are up-zoning to higher densities, encouraging mixed use developments and encouraging denser "urban villages".

Maintaining the existing housing stock also contributes to keeping housing affordable. The City of Olympia has developed a housing rehabilitation program aimed at the existing stock of smaller, older and more affordable homes. Many of these are located in the established neighborhoods near to the downtown core. By preserving this housing through the Home Repair Program and other investments, the City preserves an already affordable housing option and avoids costs of new development on the same location. Similarly, the Housing Authority utilizes CDBG funds to operate a housing rehabilitation program in the more rural communities.

**Table 2C
Summary of Specific Housing/Community Development Objectives
(Table 2A/2B Continuation Sheet)**

Obj #	Specific Objectives	Performance Measure	Expected Units	Actual Units
	Rental Housing Objectives			
H-1	Develop 75 units of new permanent affordable housing	Number of units produced	75	
H-1	Provide rental vouchers for persons at risk of homelessness	Number of units under lease	72	
H-2	Rehabilitate apartment buildings to maintain them as affordable housing	Number buildings	3	
	Owner Housing Objectives			
H-3	Rehabilitate single family homeowner housing	Homes rehabilitated	100	
H-4	Implement the Housing Authority of Thurston County's First Time Homebuyer and ADDI downpayment assistance programs	Homes purchased	2	
	Community Development Objectives			
	Infrastructure Objectives			
	Public Facilities Objectives			
	Public Services Objectives			
	Economic Development Objectives			
	Other Objectives			

**Table 3-4
Consolidated Plan Listing of Proposed Projects for Local Jurisdictions**

Applicant's Name: Thurston County

Priority Need: Owner Housing

Specific Objective: Objective H-4

Project Title: American Dream Downpayment Initiative

Project Description: First Time Homebuyer Downpayment Program

Location: Countywide

Project Information

Project ID: 0001

Type of Recipient: HOME Consortium

Activity Type: Homeownership

Start Date: 09/01/04 Completion Date: 08/31/05

**Performance Indicator: 2 Units
Annual Units: 2 Units**

Funding Information

CDBG

State ESG (State) \$0

HOME HOPWA \$56,875

SubTotal \$0

Assisted Housing \$56,875

PHA \$0

Total Other Funding \$0

Total Project Costs \$56,875

Primary Project Purpose: Homeless ___ HIV/AIDS ___ Disabilities ___ Public Housing ___