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PART 1 - Project Overview

An analysis of the affordable housing system in West Virginia was conducted in order to identify internal and external challenges/barriers related to accessing necessary funding for affordable housing development projects in the state. During Phase I of the project, a planning team was convened and research was conducted to inform the creation of an action plan that includes specific strategies to address capacity within local housing agencies/organizations and to work toward systemic changes in the affordable housing system at the state and federal levels. The action plan developed during Phase I will be implemented during Phase II of the project in order to improve the ability of local housing agencies and organizations to design and carry out affordable housing projects that meet the needs of local residents in the communities they serve.

Project outcomes achieved during Phase I include:

- Engagement of diverse affordable housing stakeholders in a participatory planning and research process.
- Identification and cataloguing of federal housing funds available to West Virginia.
- Analysis of barriers and issues related to accessing federal, state and private financing for housing projects.
- Development of the Strategic Action Plan with recommendations and measurable strategies to address identified barriers and issues that inhibit access to financing for affordable housing development.

Phase II of the project will focus on implementation of the proposed strategies outlined within the Strategic Action Plan in order to address identified issues within the affordable housing industry in West Virginia and better support local housing development within a context of comprehensive community design that promotes the health and well-being of West Virginia’s citizens.

Acknowledgements

For making this project possible, many thanks to the Claude Worthington Benedum Foundation. This project would not be possible without the active involvement and financial support provided by the Benedum Foundation. Additional thanks go to the West Virginia Affordable Housing Trust Fund Board of Directors and its Executive Director for providing the state-level leadership and coordination of activities carried out during Phase I of the project.

Appreciation is also extended to the planning team members for their time and expertise in reviewing the research findings and helping to define the strengths, challenges, and priorities within the affordable housing system in West Virginia. The support and input of the planning team has been essential to understanding the issues and shaping the goals and strategies within this report. Additional thanks to the many stakeholders who provided their expertise and opinions through the survey, discussion groups, and interviews that were conducted to inform the process.

Finally, thanks go to Collective Impact, LLC and its team of consultants for leading the
planning sessions, engaging stakeholders, compiling the needed information, researching the issues, and moving the planning team forward throughout the process.

The Planning Team

A Planning Team composed of representatives of local and statewide housing organizations, state and federal housing agencies funders, and housing consultants was convened on August 19th, 2011. During this facilitated session, the team was briefed on the project and those present engaged in initial discussions to identify barriers related to affordable housing development. The planning team was also asked to further define the proposed research components and expected outcomes for Phase I of the project.

The Planning Team met again on February 9th, 2012 to review research findings, define strengths and challenges within the current affordable housing system, and identify the priority goals and strategies included in the Strategic Action Plan.

Planning Team members Include:

Federal Agency Representatives
David Cain, US Department of Agriculture-Rural Development
Pete Minter, US Department of Housing and Urban Development
Randy Shiflett, Veterans Administration

State Agency Representatives
Robert F. Cory, WV Housing Development Fund
Steve Fisher, WV Housing Development Fund
Mary Mason, WV Housing Development Fund
Marlena Mullins, WV Affordable Housing Trust Fund
Merritt Moore, WV Bureau for Behavioral Health

Local Housing Organizations
Dave Clark, Woodlands Development Group
Brandon Dennison, Coalfield Development Corporation
Bill Dotson, Housing Development Corporation/Huntington Housing Authority
Michelle Hargis, Housing Development Corporation/Huntington Housing Authority
John Martys, Fairmont/Morgantown Housing Authorities
Sue Rosshirt, SARA Greenbrier Housing

REA OF HOPE, INC. BEAUREGARD STREET PROJECTS

The Housing Trust Fund award enabled Rea of Hope to purchase and rehabilitate two separate structures on Beauregard Street in Charleston. REA of Hope Fellowship Home provides a host of services to women in recovery from alcoholism and/or drug addiction.
Trust Fund Overview

The West Virginia Affordable Housing Trust Fund was established to encourage stronger partnerships and collaboration with those entities that contribute capital to community-based organizations and, in turn, assist low and moderate-income families and individuals in West Virginia to acquire affordable housing. The WV Legislature created the Affordable Housing Trust Fund in 2001 through the West Virginia Affordable Housing Trust Fund Act and subsequently passed legislation that established a dedicated funding stream to support the Fund’s work through a $20 real estate transfer fee in 2007. The Trust Fund Board’s responsibilities include some of the following:

• Recommend legislation to further its mission of providing housing for low to moderate-income citizens of the state;
• Research and study housing needs and potential solutions to the substandard quality or lack of affordable housing;
• Coordinate programs with other entities when doing so fulfills its mission to provide housing to low to moderate-income citizens of the state;
• Convene public meetings to gather information or receive public comments regarding housing policy or issues; and
• Serve as a clearinghouse for information regarding housing services and providers within the state.

Additional information about the Affordable Housing Trust Fund and its work may be found at: www.wvaht.org.
The Funding Analysis, Strategic Planning, and Capacity Building Project was designed to assess the issues and barriers to development of affordable housing and create a strategic plan for systemic changes that promote the design, financing, and development of needed affordable housing in West Virginia. Phase I of the project has involved research and analysis of housing issues and the identification of strategies to address the research findings. During this phase of the project a particular emphasis was placed on identifying federal programs that support local housing and community development and in identifying barriers to accessing those federal funding streams. A number of assessment processes were utilized to gather information that has informed the conclusions reached about what types of changes may be necessary to further support the affordable housing industry in West Virginia.

In addition to facilitated planning sessions with stakeholders, research was conducted through a variety of modalities including:

- A survey of housing stakeholders,
- Three regional discussion groups (held in the cities of Charleston, Fairmont, and Delbarton),
- Interviews with knowledgeable and experienced key informants,
- Research on best practices for supporting affordable housing development, and
- Research to identify federal funding streams that support housing related development in local communities.

The first phase of the two phase project was carried out over a nine month period beginning with the convening of the Planning Team in August of 2011 and culminating with the preparation of the Strategic Action Plan in April of 2012. After initial discussions with planning team members to further define issues to be explored, the research components of the project were conducted between September of 2011 and February of 2012. Separate reports were prepared for each of the research components and the findings were reviewed by the planning team prior to a second meeting of the team held in February of 2012. During the second meeting with the Planning Team, participants were asked to identify strengths and challenges affecting the affordable housing system in West Virginia. The Planning Team also reviewed the findings and conclusions from the various research components that were carried out as part of Phase I of the project and selected the priority goals and strategies to be pursued during Phase II. This data driven process has resulted in a Strategic Action Plan to guide the work that is to be carried out during the second phase of the Funding Analysis, Strategic Planning, and Capacity Building Project.

Almost Heaven Habitat for Humanity partners with low-income families and individuals as it seeks to eliminate substandard housing and homelessness in Eastern West Virginia and to make decent shelter a matter of conscience and action. In 2010, Almost Heaven continued building its River Bend Gardens development, with financial support from the West Virginia Affordable Housing Trust Fund. River Bend sets a distinctive benchmark for area townhouses at an affordable price.
**Vision for Affordable Housing in West Virginia**

Planning Team members as well as those stakeholders participating in discussion groups were asked to define their vision for affordable housing in West Virginia. Three primary themes emerged from the statements made by participants about the desired future state of the affordable housing system.

- Stakeholders desire to see an adequate supply of safe, decent, and affordable housing for all West Virginians,
- Future housing development should employ more energy efficient and green building practices, and
- Housing development will be an integral component of a comprehensive community design that promotes an improved quality of life for West Virginia’s citizens.

**Vision Statement:**

*All of our citizens will have access to safe, decent, and affordable housing that complements the natural environment, uses energy efficiently, and promotes the general health, quality of life, and sense of community desired by all West Virginians.*

**Goals & Strategies**

**GOAL 1**
Promote collaboration and comprehensive planning among state, federal, and local housing stakeholders in order to better support the development of safe, decent, and affordable housing for all West Virginians.

**Research Findings that Support Goal 1:**

- 64.4% of survey respondents indicated there is a lack of coordination and planning among state government agencies, local government, and local housing organizations that inhibits access to financing for housing projects.
- Many suggestions for improving access to federal financing offered by survey respondents focused on better coordination and planning among state and federal housing agencies.
- Discussion group participants in all three sessions identified a need for improved communication and coordination among state and federal agencies that administer housing programs.
RAZING RAINElle HOSPITAL FOR AFFORDABLE HOuSing UNITS

S.A.R.A.’s contribution to Rainelle’s “Reclaiming Rainelle, one building at a time” was completed in October of this year. S.A.R.A. purchased the old Rainelle hospital, razed it and built two new duplex units on the site. Community support was great and with the funding made available by WV Affordable Housing Trust and The WVHDF, we were able to provide four affordable units in a very distressed area.

• Best practices research identified several different models for coordination of housing programs that have been successfully used by other states.

• Persons interviewed think a major barrier to accessing financing for housing projects is the lack of consistency in application procedures, regulatory requirements, and reporting requirements from one program to another.

Strategies to Support Goal 1

Strategy 1.1: Revise and reinstitute the Interagency Housing Council to establish a process for sharing and disseminating information about housing programs and available resources.

Strategy 1.2: Work with Congressional delegation to address bureaucratic red tape and promote housing policies that are more supportive of needs in rural states.

Strategy 1.3: Develop a comprehensive statewide housing plan that addresses the need to better coordinate housing programs and policies throughout West Virginia.

“Government agencies are not committed to building the capacity of local and regional partners.”
- Survey Respondent

“There is a need for a central point of access or depository of information about housing programs that is accessible to all.”
- Discussion Group Participant

“Several states have taken steps to improve the way housing programs work with one another by consolidating programs within a single agency or point of contact at the state level.”
- Best Practices Research
GOAL 2
Build the capacity of local and regional housing agencies and organizations to design, plan, and finance local housing projects.

Research Findings that Support Goal 2

- 83.3% of survey respondents believe local housing decisions are made without regard to comprehensive community design that promotes the health and well-being of community residents.

- Survey responses indicate local housing agencies and organizations often lack knowledge about how to secure financing through available state and federal housing programs and private financial institutions.

- Survey respondents identified a need for additional housing of various types in many areas of West Virginia.

- Discussion group participants identified a need for increased coordination between housing projects and more comprehensive community development and design strategies.

- A lack of organizational capacity to develop competitive proposals and put together financing packages was an issue discussed in regional group sessions.

- According to key informants interviewed, smaller local agencies and organizations are often overwhelmed by trying to manage current responsibilities and there are no incentives to take on more.

- Key informants also were of the opinion that many local agencies/organizations lack the capacity to prepare applications for funding and manage complex grants.

- Local agencies lack upfront resources necessary to support pre-development activities.

- Interviewees observed that there was a wide variance in the levels of organizational capacity within local agencies and organizations ranging from a few high capacity organizations with the ability to manage complex projects to those that are largely volunteer run with virtually no capacity to develop or manage projects.

- Research conducted for the project identified several models for providing statewide technical assistance to local housing agencies and organizations that are used in other states.

Strategies to Support Goal 2

Strategy 2.1: Assess the capacity of local housing agencies and organizations using a set of standards and target capacity building efforts to identified needs.

Strategy 2.2: Support local affordable housing agencies and organizations in working together to effectively and efficiently address housing needs in the larger context of comprehensive community planning.
Strategy 2.3: Strengthen the capacity of volunteer based organizations so that they might maximize volunteer efforts and better promote affordable housing solutions in their local communities.

Strategy 2.4: Enhance statewide and regionally based technical assistance services that assist local housing agencies and organizations with project design, pre-development activity, and project financing.

Strategy 2.5: Establish a clearinghouse or central depository (web-based and tied to technical assistance efforts) that promotes sharing of successful programs, innovative ideas, architectural drawings, pre-approved housing designs, and other non-proprietary information among local housing agencies and organizations.

“Local organizations using federal funding sources to develop projects need deep pockets and tons of patience.”
- Interviewee

“A promising practice for assisting local communities in coordinating a comprehensive local planning process has recently been initiated in West Virginia through a partnership between CommunityWorks in West Virginia, Inc. and Collective Impact, LLC. The Community Design Innovations model is being field tested and evaluated in the coming months.”
- Best Practice Research

“There are a number of models in other states for providing technical assistance and help in designing and financing local projects through some form of technical assistance.”
- Best Practice Research

THE OLD DOLLAR GENERAL BUILDING PROJECT - WAYNE, WV

The West Virginia Affordable Housing Trust Fund provided the first funding for an exciting and catalytic project now underway in Wayne, WV. Using predevelopment funds from the Trust Fund, the Housing Authority of Wayne County has worked with the Coalfield Development Corporation to fund preliminary architecture work and an appraisal. Since receiving that initial support, the project has attracted over $275,000 in financial capital and is moving toward successful completion.

- Percent Survey Respondents Indicating There is “Not Enough” Housing of Specified Type (N=78)
Goal 3
Promote access to financial resources necessary to support development of viable local housing projects.

Research Findings that Support Goal 3

• Survey respondents identified a number of barriers that inhibit access to federal financing for housing projects including: a lack of local match, a lack of local knowledge, a lack of coordination among government programs, and formula allocations used for other types of development projects.

• 62.5% of survey respondents indicated they believe home buyers and developers are often not aware of available loan programs.

• More than half of the survey respondents (56.9%) believe federal requirements are too cumbersome for local lenders.

• 62.5% of survey respondents believe there is a lack of coordination among federal and state agencies and the local organizations and institutions that make loans.

• Discussion group participants described a layering of requirements by state agencies that administer federal funds resulting in increased restrictions on how funds might be used.

• Other issues identified during discussion group sessions include:
  – Complex, cumbersome, and time consuming application procedures required by potential funders.
  – Local agencies often lack sufficient underwriting for proposed projects.
  – Delays and timeframes for decisions about funding often frustrate local efforts to package sufficient financing.

• Some participants in discussion groups as well as some key informants interviewed believe the federal HOME program could be better managed to support local housing projects in West Virginia.

• Several factors were identified by interviewees that contribute to lack of access to federal resources including:
  – Cuts in available funds,
  – Lack of political connections,
  – Competition with larger more metropolitan areas for discretionary funding, and
  – Competitive grant scoring criteria may put rural areas at a disadvantage.

• Best practice research and interviews identified the renewal of the memorandum of understanding between USDA Rural Development and Federation of Appalachian Housing Enterprises as a model that streamlines access to sec 502 Rural Housing Loans.
"The application processes for different federal programs are not consistent. Whether applying directly to a federal agency or through a state agency the process is very difficult to navigate."
- Discussion Group Participant

**Strategies to Support Goal 3**

**Strategy 3.1:** Encourage cooperative efforts between public and private funders that result in more coordinated financing decisions to package grants, loans, loan guarantees, and other forms of financing in order to support local projects of merit.

**Strategy 3.2:** Explore possibilities for federal waivers or cooperative agreements that result in streamlined access to available formula-based allocations of federal housing funds.

**Strategy 3.3:** Provide financial incentives, training, and other support for local communities to engage in comprehensive housing planning that promotes the health and quality of life of local residents.

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**ROARK-SULLIVAN LIFEWAY CENTER**

**VETERANS TRANSITIONAL LIVING CENTER**

Roark-Sullivan Lifeway Center recently used Housing Trust Fund monies to build a Veterans Transitional Living Center located in downtown Charleston. This project was developed to support the ongoing needs of Veterans who are experiencing homelessness. Veterans being served at this new location, designed to also accommodate those with disabilities, have access to a full range of activities that include, but are not limited to: case management, transportation, behavioral and health care support, advocacy, and housing assistance.

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**REHABILITATION OF 102 FOURTEENTH STREET, WHEELING**

*The Greater Wheeling Coalition for the Homeless*

Staff from the Greater Wheeling Coalition for the Homeless gathers for an inspection tour of 102 Fourteenth Street, which was rehabilitated to provide 18 beds of supportive housing for Coalition clients.
A number of research related tasks were undertaken as part of the Phase I project to address affordable housing issues in West Virginia and separate reports were developed that collectively shaped the goals and strategies included in the Strategic Action Plan.

These reports are available from the West Virginia Affordable Housing Trust Fund and include:

- Planning Session Summary, August 19, 2011
- Planning session Summary, February 9, 2012
- Affordable Housing Discussion Groups – Summary Report, December 2011
- Affordable Housing Stakeholders Survey – Survey Results, January 2012
- Key Informant Interviews – Summary Report, January 2012
- Promising Practices in Affordable Housing, January 2012
- Overview of Federal Programs that Support Affordable Housing, January 2012

At the 2011 Annual CommunityWorks in West Virginia Affordable Housing Conference held at Stonewall Resort in Roanoke, West Virginia, the game “Shark Pool” was played. Based on the game show “Shark Tank”, in which hopeful entrepreneurs pitch their ideas to four millionaire investors in hopes of getting them to invest in their idea, the “entrepreneurs” were affordable housing organizations and developers. The individuals shown above were the “investors” who provided valuable feedback to increase the entrepreneurs’ knowledge about what funders evaluate when reviewing proposals, which also increased their capacity to package a successful development deal.

From left to right: Karen Jacobson, Randolph County Housing Authority; Laura Rye, FHLB; Joseph Flynn, WesBanco; David Cain, USDA Rural Development; Pete Minter, HUD; Jennifer Winter, Attorney/Grant Writer; and Bob Cary, WVHDF.