

Sherman County Housing Incentive Programs

Purpose, Description, Process

Purpose and Intent of this Program

The purpose and intent of the following programs is to improve and increase the available housing stock in Sherman County:

Whereas: Quality housing is essential for attracting employees to Sherman County.

Whereas: Dilapidated and vacant houses create a blight in neighborhoods.

Whereas: The market in Sherman County may not support the necessary investment that would be required to bring existing housing up to working family standards or to construct new rental housing.

Whereas: Housing construction loans can be more difficult to secure than permanent mortgages.

Therefore: These programs are designed to provide incentives to property owners and developers seeking to make improvements to existing stick-built dwellings and/ or to construct new dwellings.

Program 1: New Rental Housing Development Grant

Sherman County agrees to contribute \$10,000 per new rental housing unit constructed as an incentive to developers to create rental housing units in Sherman County. These funds would be given as a grant in a direct contribution to the developer upon completion of the project.

Requirements to Qualify for Grant:

- Project is for construction of new rental housing that is stick-built or new manufactured homes that are double-wide or larger and on a foundation.
- Housing unit(s) is located within Sherman County.
- Owner would pay property taxes on the finished project.
- Project agrees to sign an agreement with the County to keep the unit as a long-term rental, not for use as a vacation rental, within the County for at least a five-year period. Projects violating this agreement will be required to repay the funds to the County.

Rental Housing Development Grant Process:

1. Applicant completes application form.
2. Mid-Columbia Economic Development District (MCEDD) staff reviews application form for meeting program requirements.
3. For projects that meet all requirements, MCEDD staff submits a copy of the application to the Grant Review Committee for review.
4. Grant Review Committee submits a report to Sherman County recommending approval or denial based on projects meeting the requirements noted above.
5. Sherman County Court approves or denies the grant. For approved projects:
 - A. Applicant completes project and requests a Certificate of Occupancy once completed.

- B. Applicant submits a copy of the Certificate of Occupancy to MCEDD staff.
- C. Applicant records a Trust Deed lien covering a five-year period from project completion to ensure the agreement that the unit remains a rental is followed. Applicant submits a copy of the Trust Deed lien to MCEDD staff. The penalty for not keeping the unit as a rental is repayment of the \$10,000.
- D. MCEDD staff sends a report to Sherman County that funds can be released to the applicant.
- E. Sherman County provides applicant with funds.

Program 2: Housing Rehabilitation Grant

Sherman County will provide a grant of up to 20% of eligible expenses, not to exceed \$20,000, for the rehabilitation of existing non-owner-occupied stick-built dwellings in Sherman County. These funds will be given on a reimbursement basis once the project is completed. Grantee will be required to provide Mechanic’s Lien Waivers for all products and services. Sherman County grant payments will be made after the Grant Review Committee deems that the project complies with the requirements of this program. The dwelling must meet FHA/VA habitability standards once the rehabilitation is complete. When the project is completed, the Grantee will be required to record a Notice of Completion with the Sherman County Clerk. While the process is described below, view the grant application for full program requirements and information.

Housing Rehabilitation Grant Process:

1. Applicant completes application form and submits additional required materials, including:
 - A. Description of the proposed improvements to the dwelling.
 - B. Description of improvements that will be completed by contractor and the tasks that will be completed by the applicant. Include contractor bid(s) and material costs;
 - C. A copy of a deed instrument, sales contract, or accepted purchase agreement demonstrating ownership of the subject property and thereby authority to make improvements to the subject property;
 - D. A copy of a professional whole house inspection (electronic submittals are permitted) shall be submitted prior to final approval by the Grant Review Committee. The inspection may be submitted after initial review and prior to approval of the proposal by the Grant Review Committee.
2. MCEDD staff reviews complete applications for meeting program requirements.
3. For projects that meet all requirements, MCEDD staff submits a copy of the application and materials to the Grant Review Committee, which reviews the application and makes a recommendation to Sherman County Court on grant issuance. The Court will approve grants based on their determination of the best use of grant funds.
4. Applicant obtains all necessary required development permits including, but not limited to: planning, building, electrical, plumbing, and mechanical permits.
5. Grant Review Committee may periodically perform inspections of granted projects in construction.
6. Applicant completes project and requests a Certificate of Occupancy once completed. The dwelling must meet FHA/VA habitability standards once the rehabilitation is complete.

7. Applicant records a Notice of Completion with the Sherman County Clerk.
8. Applicant submits a copy of the Certificate of Occupancy to MCEDD staff along with invoices and receipts for documentation of project costs and Mechanic's Lien Waivers for all products and services.
9. MCEDD staff sends a report to Sherman County that funds can be released to the applicant.
10. Sherman County provides applicant with funds.

For additional information on the Sherman County Housing Programs, please visit the website at www.co.sherman.or.us or contact Marla Harvey at marla@mcedd.org or 541-296-2266.

Additional Resources:

Attainable Housing Revolving Loan Fund at Mid-Columbia Economic Development District

MCEDD offers flexible financing for housing development and housing rehabilitation in its Oregon service area of Hood River, Wasco and Sherman counties. The fund is designed to spur development of housing at rates affordable to those who live and work in the. The purpose of the fund is to provide funding for gap lending to aid in addressing the North Central Oregon regional attainable housing challenge. Goals for the fund include development of tangible assets through housing development, providing opportunities for those in the region to live where they work and supporting the middle market of 60-120% median family income ("MFI").

For additional information on the Attainable Housing Revolving Loan fund and the process to access it, visit www.mcedd.org/financing/housing-loans/ or contact MCEDD Loan Fund Manager, at 541-296-2266 or loanmanager@mcedd.org.