

Stakeholder Input and comments – July 2021

<i>Issue</i>	<i>Comment</i>	<i>Response</i>
<i>Flexibility</i>	Each project should be evaluated according to its own parameters and analyzed for total public benefit. A rigid program structure would limit its use.	Agreed, comment noted
<i>Prevailing wage premium</i>	Would the projects be subject to prevailing wage? Would the grant cover the increases associated with typical public projects?	Yes, projects would be subject to prevailing wage requirements. Should anticipate 10-15% increase in infrastructure construction costs.
<i>Program size</i>	How much is available in the bucket? How many projects could potentially be funded?	\$10-11M in reserve with \$2-3M added each year. Goal is to build a \$50M revolving fund in coming years.
<i>Defining affordable/workforce housing</i>	What are the metrics for determining affordable and workforce housing? AMI?	“workforce” < 120% AMI “Low-income” < 60% AMI
<i>Program participants</i>	Who builds the housing?	Either developer or nonprofit could build
<i>Other programs</i>	What other kinds of funding is available for the 80-120% AMI?	Public funds are typically available only for projects targeting <80% AMI.
<i>Land ownership options</i>	Using public funds to cover land acquisition is helpful. AMI 100-120% can support the cost of construction w/o land cost. (EDI spending needs to be tied to specific infrastructure
<i>Other EDI uses</i>	Could EDI be used to cover municipal impact fees?	EDI spending needs to be tied to specific infrastructure
<i>Loan position</i>	What position would the loan be?	The loan would be secondary to commercial loans.
<i>Loan transferability</i>	What if lots are sold by the developer to builders? Would the loan come due?	Loans will be with local jurisdiction. Loans may be transferable for payee (developer)
<i>Measuring program benefit</i>	The details of the loan – interest and terms – will determine whether the program is advantageous enough for developers to participate	Comment noted

<i>Calculating</i>	Maybe a per unit cost coverage would be more manageable than a percentage of infrastructure. (P. Dawson)	Need input from developers to identify per unit figure.
<i>Identifying need / market gaps</i>	Look at bedroom size and households for various sizes and income levels who do not have access to an affordable product. Looking at the price point delivered by the market, and the incomes at which there is a gap in affordability. Tie the grant and loan products to where there are clear gaps in the market.	Need input for housing agencies on where gaps exist in market. Program could be modified to require housing to meet gaps.
<i>Enforcement mechanism</i>	What is the best method to enforce durability of affordability? Title covenant? Non-profit?	Title covenant and oversight by the Non-profit
<i>Length of affordability</i>	How long should the home be obligated to affordability? 20 years? 50 years?	Normally a for 20 yrs. If 50 yrs. the grant can increase by 5% of total.