Today’s Presentation

Recap bond “buckets”
Offer policy considerations
Increasing number of units affordable at 30% AMI
Discussion and feedback
# Recommended Bond Package Elements

<table>
<thead>
<tr>
<th>Bond Elements</th>
<th>Percent Allocation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit-Oriented Site Acquisition</td>
<td>20%</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>Public-Private Partnerships</td>
<td>35%</td>
<td>$28,000,000</td>
</tr>
<tr>
<td>LIHTC Gap Financing</td>
<td>30%</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>Owner-Occupied Home Rehabilitation</td>
<td>7.5%</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Down Payment Assistance</td>
<td>7.5%</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>

Total Bond Package – $80M
Transit Oriented Site Acquisition ($16 Million)

Objective: Equitable Development Around Transit (EDAT)

Policy Options: Funds can be used for the following:

- Direct acquisition by the COR for future LIHTC development. (and)
- Via RFP, provide funds to private entities for the acquisition and preservation of existing affordable rental units primarily serving 60% AMI and below or the acquisition of sites for infill or “missing middle” development providing affordable rental or homeownership opportunities. (or)
- Limit acquisition funds to private entities for affordable rental projects only.
Public-Private Partnerships
($28 Million)

Objective: EDAT.
Increasing Supply of Affordable Housing

- $10 Million for permanent supportive housing for very low income chronically homeless individuals (50 units).
- $18 Million plus regulatory incentives for new rental development where not less than 20% of the units are affordable at 60% AMI for not less than 30 years (voluntary inclusionary model) or the development of “missing middle” affordable homeownership opportunities.
- Limit partnerships to the development of affordable rental housing only.
LIHTC Gap Financing

Objective: EDAT.
Increasing the supply of affordable housing

- Advisory committee supports a higher percentage of units affordable at 30% AMI than produced over the past five years.
- Advisory committee recognized that additional City subsidy is required to accomplish that.
- The City (or County) subsidy required to create a 30% AMI unit is more than double the amount needed to create a 60% AMI unit and thus fewer total units can be created with same amount of funding.
## LIHTC Gap Financing

**Baseline: 2015-2019 Tax Credit Funded Projects**

<table>
<thead>
<tr>
<th></th>
<th>Total Units</th>
<th>City Funding</th>
<th>County Funding</th>
<th>30% AMI</th>
<th>40-50 % AMI</th>
<th>60% AMI</th>
<th>70% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>4%</td>
<td>2,260</td>
<td>$41,567,704</td>
<td>$6,069,296</td>
<td>0</td>
<td>173</td>
<td>1,997</td>
<td>90</td>
</tr>
<tr>
<td>9%</td>
<td>449</td>
<td>$5,233,000</td>
<td>$1,888,000</td>
<td>87</td>
<td>59</td>
<td>303</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>2,709</td>
<td>$46,800,704</td>
<td>$7,957,296</td>
<td>87</td>
<td>232</td>
<td>2,300</td>
<td>90</td>
</tr>
</tbody>
</table>
# LIHTC Gap Financing

**Baseline: 2015-2019 Tax Credit Funded Projects**

<table>
<thead>
<tr>
<th>4% or 9%</th>
<th>Total Units</th>
<th>City Funding Total Per Unit</th>
<th>County Funding Total Per Unit</th>
<th>30% AMI Units Number</th>
<th>40 - 50% AMI Units Number</th>
<th>60% AMI Units Number</th>
<th>70% AMI Units Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>4%</td>
<td>2,260</td>
<td>$41,567,704</td>
<td>$6,069,296</td>
<td>0</td>
<td>173</td>
<td>1,997</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$18,393</td>
<td>$2,686</td>
<td>0%</td>
<td>8%</td>
<td>88%</td>
<td>4%</td>
</tr>
<tr>
<td>9%</td>
<td>449</td>
<td>$5,233,000</td>
<td>$1,888,000</td>
<td>87</td>
<td>59</td>
<td>303</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$11,655</td>
<td>$4,205</td>
<td>19%</td>
<td>13%</td>
<td>67%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>2,709</td>
<td>$46,800,704</td>
<td>$7,957,296</td>
<td>87</td>
<td>232</td>
<td>2,300</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$17,276</td>
<td>$2,937</td>
<td>3%</td>
<td>9%</td>
<td>85%</td>
<td>3%</td>
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LIHTC Gap Financing

Key baseline take-aways

- 30% AMI units account for 3.2% of total units and 19.4% of 9% units.
- 40-50% AMI units account for 8.6% of total units, 13.1% of 9% units and 7.7% of 4% units.
- City and County subsidy per unit for 4% and 9% projects combined is $20,213.
- With total funding of $24 million and per unit gap financing of $20,213, approximately 1,187 units could be created based on past income targeting.
LIHTC Gap Financing

Policy Options to achieve deeper income targeting

• Require that not less than 30% of units in 9% projects target 30% AMI.
• Require that not less than 10% of units in 4% projects target 30% AMI.
• Require tax credit developers to commit to a 40 year period of affordability.
Owner-Occupied Home Rehabilitation ($6 million)

Objective: EDAT.

Income Targeting: 80% AMI and below

Maximum Loan Amount: $100,500. Interest Rate: 0%. Must have lived in the home at least five years prior to application.

- For owners age 62+ or disabled, loan is forgiven after 5 years.
- For owners under age 62, loan is forgiven after 15 years.
- Geographic proximity to transit to be determined.
- Policy Option: Limit program to 50% AMI and below.
Down-payment Assistance
($6 million)

Objective: EDAT.
Income Targeting: 80% AMI and below

Policy Options

• Replicate existing program: $20,000, 0% forgiven over 20 years, maximum sales price of $260,000 (300 buyers assisted). (or)

• Create new program to acknowledge higher values near transit: $30,000, 0% deferred and repaid upon sale, maximum sales price of $340,000 (200 buyers assisted). (and)

• Provide enhanced assistance to buyers who previously lived in the area.

• Geographic proximity to transit to be determined.