

Guidance Sought from CDC regarding G. O. Bonds

Issue #1: Transitional Housing Needs.

Discussion: It's not homeownership, and not exactly rental. Several worthwhile projects to provide transitional housing for persons at 30% MFI and below have already been approved. They are funded out of the 60% G. O. Bond allocation for rental housing. Should there be a separate allocation for transitional housing, or is it appropriate to keep funding these out of the rental allocation?

Issue #2: Defining "geographic dispersion."

Discussion: The program guidelines state: "Preferences will be given to projects that are geographically dispersed in areas not traditionally recognized as having affordable housing available to low-income households."

The term "geographic dispersion" seems to mean different things to different people. Should the scoring criteria be revised to give a significantly higher amount of points to projects that are located west of I-35? West of Mo-Pac? Should projects located east of I-35 or in the southeast – where affordable housing has traditionally been developed – get few or no points in this category?

Issue #3: Lack of homeownership projects coming in.

Discussion: What should AHFC be doing to encourage more homeownership projects? To date, only two organizations have applied for G. O. Bond funding for homeownership projects. One organization was approved, and the other was approved for HOME funding rather than G. O. Bond funding.

Issue #4: AHFC's ability to acquire property using G. O. Bonds for future development.

Discussion: G. O. Bond funding affords flexibility, and having the ability to act quickly can put AHFC at an advantage when an opportunity arises. Property acquired by AHFC can be made available to non-profits/CHDOs for affordable housing development. Should AHFC acquire property in a TOD to help reach the level of affordability desired?

Issue #5: Re-thinking rent "buy-down" projects.

Discussion: HBRC did not support Sunnymeade primarily because it was believed to be too expensive for the number of units that would be made affordable. "Buy-down" projects like this can arrive at any time. Is this a wise use of G. O. Bond funds? Are we getting what we want out of deals like this?

Issue #6: Designating G. O. Bond funding for TODs.

Discussion: Should G. O. Bonds be used to get to the levels of affordability desired in a TOD? Would it make sense for AHFC to own property in a TOD to provide a better cash flow for the development?