

**ATTACHMENT 3: ESTIMATE OF CITY SUBSIDY REQUIRED FOR DCD HOUSING GOALS**

*Draft 2/18/16*

GOAL	OUTCOME ASSUMPTIONS	CITY SUBSIDY REQUIRED PER UNIT	SUBSIDY PER YEAR		TOTAL 5 YEARS		PROGRAM STAFF REQUIRED*
			Low	High	Low	High	
a. Produce affordable rental housing	300 units, including three 9% projects with 75 units each over five years (excluding Southside), and 15 small scale units per year	For 9% LIHTC: \$500k-\$4M per project (high assumes structured parking) For small scale rental: \$75k-100k per unit	Variable	Variable	7,625,000	15,000,000	0.5-1.0 FTE
b. Strengthen homeless housing system	Continue or expand rapid rehousing and pursue other housing programs; build capacity of core partners	Variable	500,000	1,000,000	2,500,000	5,000,000	2.0-2.5 FTE
c. Preserve existing rental housing	350 units, assuming 4% transaction covering half of units; and other units preserved with city subsidy only	No subsidy for 4% LIHTC; for other units: \$30-40k per unit, assuming 35 units per year	1,050,000	1,400,000	5,250,000	7,000,000	0.5-1.0 FTE
d. Preserve affordable homeownership in target neighborhoods	50 units (10 per year) developed in target neighborhoods; 50 owner-occupied units (10 per year) rehabbed	\$50-\$75k per unit for 'new' units; \$25-50k for owner-occupied rehabs	750,000	1,250,000	3,750,000	6,250,000	0.5 - 1.0 FTE
e. Preserve/expand homeownership for low-income households	50 homebuyers assisted (10 per year); 150 minor repair (30 per year); outreach on to increase use of property tax relief programs	\$20-\$25k per downpayment/closing cost; \$9k-10k per minor rehab; \$50k-\$60k for property tax outreach	520,000	610,000	2,600,000	3,050,000	2.0-2.5 FTE
f. Finish Southside	Current plans call for 145 rental units (67% affordable) and 23 homeownership units (50% affordable) in addition to Phase 1.	Southside rental Phase II already funded; estimated cost for rental Phase III - \$6M; cost of homeownership Phase II - \$2.5M	Variable	Variable	8,000,000	9,000,000	1.0 - 1.5 FTE
g. Launch NECD initiative	Housing program costs, except land banking, covered in 1-3; other program costs could include land banking, consulting and meeting support, research and data analysis, & grants for community development partners	\$300-500k per year	300,000	500,000	1,500,000	2,500,000	1.0 - 2.0 FTE
<b>TOTAL EXPENSES</b>					<b>31,225,000</b>	<b>47,800,000</b>	<b>7.5 -11.5 FTE</b>
AVAILABLE RESOURCES			PER YEAR		TOTAL 5 YEARS		
			Low	High	Low	High	
Federal grant funds			2,200,000	2,600,000	11,000,000	13,000,000	
Dedicated Housing Fund			2,700,000	2,700,000	13,500,000	13,500,000	
<b>TOTAL REVENUES</b>			<b>4,900,000</b>	<b>5,300,000</b>	<b>24,500,000</b>	<b>26,500,000</b>	
Variance					(6,725,000)	(21,300,000)	

\* Staffing estimates are for direct program staff only and assume matrix staff support from specialists focusing on contract management, financial management, and monitoring and compliance.