

ATTACHMENT 4: ESTIMATE OF CITY SUBSIDY REQUIRED TO ACHIEVE PROPOSED HOUSING GOALS

Final 6/1/16

GOAL AND STRATEGY		OUTCOME ASSUMPTIONS	CITY SUBSIDY REQUIRED PER UNIT	TOTAL 5 YEARS		
				Low	Moderate	High
Goal 1: Preserve and expand affordable rental housing units and vouchers, with a focus <50% AMI						
a. Partner with DHA	DHA's existing portfolio stabilized and redeveloped as appropriate; vouchers fully utilized	TBD	2,500,000	6,250,000	10,000,000	
b. Strengthen homeless housing system	Continue or expand rapid rehousing and pursue other housing programs; build capacity of core partners	Variable	2,500,000	3,750,000	5,000,000	
c. Produce affordable rental housing	375 affordable units, assuming five LIHTC projects with 75 affordable units each over five years	\$500k-\$3M per project	2,500,000	8,750,000	15,000,000	
d. Preserve existing rental housing	350 units, assuming two 4% transactions covering half of units; and other units preserved with city subsidy only	Up to \$750k of subsidy per 4% LIHTC; for other units: \$30-40k per unit	5,250,000	6,875,000	8,500,000	
e. Pursue expanded density bonus	TBD	TBD	-	-	-	
Subtotal, Goal 1			TOTAL:	12,750,000	25,625,000	38,500,000
Goal 2: Maintain Affordability and Protect Low-Income Residents in Appreciating Neighborhoods						
a. Create affordable homeownership options	100 units developed in target neighborhoods; 50 homebuyers assisted	\$25-\$75k per unit for 'new' units; \$20-\$25k per downpayment/closing cost	3,500,000	6,125,000	8,750,000	
b. Create affordable rental housing	75 small scale units	\$75k-100k per unit	5,625,000	6,562,500	7,500,000	
c. Protect existing homeowners	50 owner-occupied units rehabbed; 150 minor repair; outreach on property tax relief programs	\$25-50k for owner-occupied rehabs; \$9k-10k per minor rehab; \$50k-\$60k for property tax outreach	2,850,000	3,575,000	4,300,000	
d. Support neighborhood led efforts	Land banking, community organizing, coordination, other community support activities	\$300-500k per year	1,500,000	2,000,000	2,500,000	
Subtotal, Goal 2			TOTAL:	9,975,000	12,137,500	14,300,000
Goal 3: Engage Durham Community to Make Affordable Housing a Citywide Priority						
a. TBD	TBD	TBD	-	-	-	
Subtotal, Goal 3			TOTAL:	-	-	-
			GRAND TOTAL EXPENSES	22,725,000	37,762,500	52,800,000
FUNDING SOURCES				TOTAL 5 YEARS		
			Low	Moderate	High	
Federal Grant Funds plus PI (CDBG, HOME, ESG)			7,414,660	8,341,493	9,268,325	
Dedicated Housing Fund			13,211,600	13,211,600	13,211,600	
			TOTAL REVENUES	20,626,260	21,553,093	22,479,925
<i>Variance (gap)</i>				<i>(2,098,740)</i>	<i>(16,209,408)</i>	<i>(30,320,075)</i>