

2017 HOUSING TASK FORCE – Fact Sheet 1 / Sources of Information

Objective

Consider the potential sources of information that will inform the Task Force, Developers and Stakeholders as to the effect, if any, when evaluating certain aspects of the AUD Incentive Program.

Potential Sources of Information:

1) Annual Surveys

Most AUD Incentive Program project approvals have been conditioned to require the owner to submit annual survey data to staff. As currently written, the surveys request certain information about the residents (e.g., household size, zip code of prior and current employment location, zip code of prior residence, and number of vehicles and bikes owned), and are due in December each year after a project has been completed and occupied for at least six months. As very few units have been constructed and occupied at this point, no surveys have been received to date. Staff will continue to require this annual survey as a standard condition of approval for as long as it is deemed potentially useful to evaluate the effectiveness of the AUD Incentive Program. The survey questions can be revised or cease to be required at any point, if deemed necessary. Staff would consult with the Planning Commission and/or the Housing Task Force prior to adjusting significant aspects of the annual survey requirement.

2) Applicant Pro-forma

A pro-forma is a financial statement in which the anticipated financial performance of a prospective land development project has been calculated. . An applicant typically applies for a loan from a lender to finance land acquisition and project development. The applicant is required to provide the lender a financial pro-forma that includes the anticipated rents. The loan is approved based on these anticipated rent levels, generally at a debt- to service coverage ratio (the measure of the cash flow available to pay current debt obligations) of 70%. The AUD Incentive Program could be revised to require that this loan application information (pro-forma) be included as part of the application submission package. This projected rent information would be available several years prior to the annual survey and could be used in the decision making process.

3) Nexus Study

A Nexus Study demonstrates the quantitative relationship between an increase in housing and the resulting increased need for affordable housing. New housing residents place demands on services provided by both the public and private sector,

creating a demand for public and private services and new employees (who typically have low incomes ($\leq 80\%$ AMI) or moderate incomes (80% - 120% AMI) and require affordable housing units).

Approximate Cost: \$30,000

Approximate Time: 6 months

4) Economic Feasibility Study

An Economic Feasibility Study determines if the inclusionary housing or affordable housing impact fee would unreasonably disrupt developer/owner's economic returns from a project. A Feasibility Study would also provide information regarding the cost of parking as well as other incentives and enable any proposed modifications to have a clear understanding of both project and policy economics.

Approximate Cost: \$40,000

Approximate Time: 6 months