The Community Development Authority (CDA) Affordable Housing Fund Policy

I. Purpose

The CDA Affordable Housing Fund (AHF) supports the development of new affordable housing units that serve households earning 60% or lower of the County Median Income (CMI). The fund is designed to encourage the creation of affordable housing by leveraging additional financing sources and ensuring timely project completion.

II. Eligibility Requirements

To qualify for funding from the AHF, projects must meet the following requirements:

1. **Affordability Requirement**: Funding must be used exclusively for the creation of new affordable housing units available to households earning 60% or lower of CMI.
2. **Matching Funds Requirement**: Applicants must secure a minimum 1:1 match with another financing source, such as Low-Income Housing Tax Credits (LIHTC), HOME, CDBG, Federal Home Loan Bank Affordable Housing Program (FHLB AHP), or other public/soft funding sources.
3. **Funding Limits**: The maximum funding amount per project is capped at the greater of:
   - $40,000 per unit, or
   - $15,000 per bedroom.
4. **Affordability Duration**: The minimum duration for affordability is 30 years.
5. **Project Completion Timeline**: Projects must be fully closed and financed before drawing on the funds. Additionally:
   - The project must be completed and available for tenancy within two (2) years of disbursement.
   - If the project is not completed within this timeframe, funds must be returned to the AHF.

III. Funding Preferences

While all eligible projects will be considered, priority will be given to proposals that meet one or more of the following criteria:

1. **Deeper Affordability**: Projects creating new affordable housing units for households earning between 30% and 50% of CMI will receive preference.
2. **Greater Leverage of Funds**: Projects that secure financing sources exceeding the 1:1 match requirement will be prioritized.
3. **Lower Per-Unit Funding Requests**: Preference will be given to projects requesting less than:
   - $30,000 per unit, or
   - $10,000 per bedroom.
4. **Affordability Duration**: Preference will be given for projects with affordability of 40 years or longer.
5. **Enhanced Accessibility**: Projects that incorporate accessibility enhancements exceeding code requirements.
6. **Targeting Individuals with Disabilities**: Projects that designate units for individuals with disabilities.

IV. Application Process
Developers and housing providers interested in applying for AHF funding must submit a detailed application that includes:

- Project description and scope.
- Detailed budget and financing plan, demonstrating compliance with match requirements.
- Expected affordability levels and commitment to maintain affordability for a minimum period.
- Project timeline, including expected completion date.

V. Compliance & Reporting
Recipients of AHF funds must:

- Provide regular progress reports on construction and leasing.
- Ensure compliance with affordability requirements for the specified period at the developer's expense; the city reserves the right to conduct periodic verification as it reasonably determines necessary.
- Provide security for repayment, which may include real estate or other collateral, to be recouped if the project is not completed within two years of disbursement.

VI. Administration
The City's Development Department staff will oversee the administration of the AHF, including application review, fund disbursement, and compliance monitoring. The CDA reserves the right to amend funding requirements and preferences to align with evolving housing needs and policy priorities.