

Jan. 27, 2020

**Memo to City of Rockland**

**To: Adam Lachman, Nathan Davis and Tom Luttrell**

**In Re: Potential program deployment for municipal bond proceeds**

- Suggested program ideas are focused on assistance to developers and/or builders to minimize staff time and administrative systems to manage a program. At the bottom is a more complicated direct consumer homebuyer example.

1) Developer home ownership production – somewhat similar to the PH program  
For Example:

**\$90,000** direct application of funds at closing to lower the sale price for “up to 120%AMI” homebuyers, **\$75,000** for “121-140%AMI” buyers. Pledged to developer as a secured loan, which converts to a TIF driven mortgage – to the developer, not the homebuyer. Future tax revenues from the new homes are partially captured to pay back the initial funding and used again – This becomes a self-funded revolving fund. Each home is designated as an affordable housing TIF, designed and implemented by the City. You could decide to get more specific in design, location and size/type of homes by writing that into a program description; OR you could let creative proposals percolate up from the developer community and select/secure the projects you choose. Affordability can be secured with a covenant or soft mortgage to the homeowner at closing – burns off in 5-10 yrs.

- **\$2.5M** in initial bond proceeds could spur development of 25-30 homes, scattered in various locations (you can set the program to avoid concentrating all these homes in one location) Funds revolve eventually through TIF capture.

2) Mixed Use development opportunities:

Use financial incentive to specifically target opportunities to add residential units into commercial and/or mixed use developments to further encourage small retail clusters or coworking space developments. Dollar amounts could be based on unit count (**\$25,000- \$75,000/unit** direct subsidy) or 0% deferred loan for pre-development and design or infrastructure loans. Recapture from successful operations of finished mixed use space in 5 yrs from cash flow, as an example.