

## Housing Innovation Questions

By Michael C. Rohrbeck

Congratulations to the committee on your first year's report to the Governor's Housing Task Force. You've prepared thoughtful recommendations and identified areas of possible improvement that will set a positive direction for affordable housing in the state. I have some questions that the committee may wish to consider in future deliberations that relate to your efforts to achieve cost efficiencies and greater targeting to need.

**Question 1:** The effort to establish a "joint funding process" and "streamlining" the application and reporting procedures seem to envision an approach whereby simplification would be "driven" by the first position lender. Many projects with "layered" financing have less than 10% private loan support now; greater efficiency and effective targeting in the future may mandate consideration of 100% funding from government, charitable and equity sources. Therefore, **is it possible to consider joint-funding/streamlining a two-track exploration, one driven by private lender participation and one where efficiencies are achieved and roles defined among government, charitable and/or equity source providers?**

**Question 2:** Implicit in the committee's "research" into reducing the impact/applicability of prevailing wage requirements is an assumption that developments privately orchestrated, even with appropriate quality controls, are more cost-efficient. Because there may be related issues with applying post-development government grants and loans to such projects, **is it possible to research the need for prevailing wage waivers or allowances to open the door to new programming of privately-oriented housing that assures affordability?**

**Question 3:** An efficient means of housing persons/families with incomes at or below 30% AMI (without rent subsidies) continues to elude policy makers. **Perhaps the committee could consider endorsing a concept for tax abatements in direct proportion to units that house the lowest income?** Using this approach could be one criteria for localities to garner incentive resources from the state. Assuming they can meet minimum quality standards, such an effort might also enhance profitability of the most efficient housing providers.

**Question 4:** CDBG and HOME funds are rarely used to fund alternative rent-subsidy programs. The "bricks and sticks" orientation of these programs and the tenant-based focus of rent subsidy eligibility of HOME in particular, may be problematic to funding programs similar to Chicago's Trust Fund state-wide. This is a nationally recognized successful strategy for project-based rent subsidies. Therefore, **would the committee consider researching the applicability and prospects/needs of waivers for supporting rent subsidies using federal resources, including those for existing quality housing?**

Your consideration of these questions in future committee and task force work would be greatly appreciated. Answering the questions as a state body might facilitate efficiencies and enable "redirection" of resources and creative programming for years to come.

<http://www.HousingQuest.info>

*Share the Quest:* A COMMITMENT TO  
CHANGING HOW WE CREATE AFFORDABLE HOUSING

MICHAEL C. ROHRBECK

PHONE: (312) 217-4211

E-MAIL: MRCAREER@AOL.COM