



# PERMANENT AFFORDABILITY PILOT PROGRAM

## ▶ 1.1 Permanent Affordability Pricing Policy

In accordance with the 2017 Interlocal Cooperation Agreement, the first priority for conveyances of LBA residential properties is “to neighborhood nonprofits obtaining the property for the production or rehabilitation of housing for persons with low or moderate incomes.” This Permanent Affordability Pricing Policy sets forth guidelines for the LBA’s conveyance and pricing of residential real property, and vacant lots zoned residential, to neighborhood nonprofit entities for development and provision of permanently affordable housing in accordance with the mission and the purpose of the LBA and applicable law.

## ▶ 1.2 Definition of Permanently Affordable Housing

For purposes of this policy, “permanently affordable housing” is housing that requires mortgage or rent plus utility costs of not more than 30% of a low or moderate income individual’s monthly income for a period longer than 20 years.

## ▶ 1.3 Permanent Affordability Purchase Price

Upon receipt of an application by a neighborhood nonprofit for conveyance of LBA property, the Board of Directors, in its discretion, may authorize the conveyance of such property to the neighborhood nonprofit for total consideration not to exceed 35% of Fair Market Value, upon the following conditions:

- A The neighborhood nonprofit must submit appropriate development or other plans for the property, including all required property acquisition application documents, demonstrating commitment and ability to utilize the subject property for permanently affordable housing for low to moderate income persons, as defined in the annual definitions of low income and moderate income adopted by the LBA.
- B The neighborhood nonprofit must submit to appropriate development requirements of the LBA in accordance with its policies to ensure the property is utilized for permanent affordable housing.
- C The neighborhood nonprofit shall provide the LBA with a written report on the conveyed property, which report shall (i) be provided by December 1st of each effective year subsequent to the conveyance of the property from the LBA to the neighborhood nonprofit, and (ii) identify the potential date for completion of the development work relating to such property pursuant to the LBA permanent affordability development requirements.

## ▶ 1.4 Permanent Affordability Investment Value

The difference between the Fair Market Value and the Permanent Affordability Purchase Price shall constitute the LBA Permanent Affordability Investment Value. The LBA Permanent Affordability Investment Value, on parcels conveyed for permanent affordability, shall be recorded, tracked, updated, and regularly reported upon at LBA Board of Directors Meetings.