

AFFORDABLE HOUSING FUND BOARD

Report to City Commission

April 14, 2026

Board Members

- Eric Brown, Chair
- Monica Steimle-App, Vice Chair
- Virginia Beard
- Daniel Drent
- Jeffrey King
- Cassandra Oracz
- Lindsey Reames
- Christopher Romero
- Mark Washington
- Tabitha Williams

Foundational Policy 900-62

- Establishes guidance for the work of the Board:
 - Emphasizes creating rental housing for those earning at or below 80% Area Median Income (AMI)
 - Acknowledges additional challenges for homeownership, so allows for up to 100% AMI for ownership housing
- Duties of the Board include:
 - Recommend investments designed to make housing more accessible to low-and moderate-income residents of the city through a wide variety of tools
 - Accept funds from the City and other sources for purposes of carrying out the objectives of the Fund
 - Recommend entering into development agreements from public and private parties
 - Invest funds in furtherance of program recommendations
 - Apply for grants and other funds for purposes of funding the approved programming
 - Approve the management of investment programs
 - Adopt standing rules to guide their meetings
 - Provide an annual written report each April reporting on activities, presenting the annual investment plan, and describing any recommendations for policy changes
 - Make recommendations to the Commission through the City Manager for annual funding appropriations and policy recommendations
 - Make policy recommendations to the City Commission through the City Manager

Investments to Date

Board has funded a variety of projects through 2 completed funding rounds

- \$5.2M has generated 200 new rental & homeownership units
- \$491k was used to support eviction prevention

Another \$700,000 under consideration with this year's Neighborhood Investment Plan Process

Additional Work of Committee

Fall 2023 – Spring 2024:

Engaged in Strategic Planning Retreat to Identify Priorities

- Generate affordable units at scale
- Focus on 80% and below AMI
- Homeownership opportunities
- Emerging Developers

Formed 2 Sub-Committees

- Emerging Opportunities
- Grow the Fund

Grow the Fund Work, Report and Recommendation

Review of Funding Tools Available/Used in Other Communities

Report to Affordable Housing Fund Board

Affordable Housing Fund Board Recommendation:

- Examine the utility of local government revenue bonds in filling gaps in capital resources available to low and moderate income housing
- Consolidate local and regional policies and data around housing needs and demands to further refine housing targets
- Prepare an assessment of how revenue bonds could be scaled to create meaningful impact; considering feedback from key stakeholders

Following slides were prepared by Housing Next to provide an overview of the tools the Board reviewed and key findings

Preliminary Research

Dr. Virginia Beard provided the initial research background in support of the creation of the Grand Rapids Affordable Housing Fund. In her original white paper, Dr. Beard identified and explained that all other similar successful funds across the country were supported by a consistent and dedicated source of revenue or ongoing funding. She also articulated the variety of funding sources that other funds had used for both startup capital as well as ongoing investments.

Potential funding sources

- Municipal Bonding Authority
- Property tax measures (millages)
- Fee-based approaches
- Tax-increment financing
- Public-private partnerships
- Special assessment districts

Municipal Bonds

General Obligation Bonds

- Pledges the full faith and credit of the municipality to pay down debt over time
- Is limited by the City's current bonding capacity and bond rating
- Should be backed by a dedicated revenue source - such as a millage

Revenue Bonds

- Bonds are paid down over time by the revenue generated from the assets they finance.
- Limits the depth of affordability to 60% - 100% AMI
- Allows for a much greater number of total homes to be produced
- Requires partnership with Housing Commission, Land Bank, or Brownfield Authority

Property Tax Measures/Millage

- Requires a vote of the general population and a significant public communications campaign to achieve success
- Provides a consistent source of revenue which can either be distributed to private and nonprofit developers or used to back a GO Bond.
- Likely requires a sunset/renewal provision which is subject to future political environment

Tax Increment Financing

- Housing is an eligible activity which can be reimbursed, or financed using tax increment financing under the brownfield redevelopment authority act as well as the corridor improvement authority act and the downtown development authority act.
- None of the TIF authorities are able to work holistically across the entire city, but are limited to confined districts or eligible property areas.
- The City, AHF, and each authority would need to collaborate to create a city-wide plan for financing housing development and preservation

Public/Private Partnerships

- A strategy to secure private and philanthropic capital to be paired with public investment in housing
- It is difficult to secure ongoing and consistent investments from private partners.
- AHF is still building a track record of positive investments in the community

Special Assessment Districts

- A specific district may choose to levy a special assessment to finance housing related activities
- Requires a 51% voter approval within the district
- Limited to activity within specifically define districts.

Conclusion/Feedback Requested

- Affordable Housing Fund Board looking for confirmation to proceed with the next steps:
 - Examine the utility of local government revenue bonds in filling gaps in capital resources available to low- and moderate-income housing
 - Consolidate local and regional policies and data around housing needs and demands to further refine housing targets
 - Prepare an assessment of how revenue bonds could be scaled to create meaningful impact; considering feedback from key stakeholders