

## Item 18: Department of Administrative Services

### Replace Workforce Housing in Jackson County

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**Analyst:** Paul Siebert and Michelle Deister

**Request:** Establish a General Fund appropriation by allocating \$25,000,000 from the Emergency Fund to the Department of Administrative Services for a grant to the Housing Authority of Jackson County for the purpose of acquiring and developing property to replace a portion of lost workforce housing destroyed during the Labor Day wildfires.

**Description:** The request provides immediate resources to enable the Housing Authority of Jackson County (HAJC) to acquire and develop available land for housing (including affordable units), in an effort to replace some of the approximately 4,000-5,000 homes that were lost during the September 2020 wildfires in Jackson County. The housing developed may be a combination of affordable and mixed income housing, more than half of which would be affordable to those earning 60% of area median income. Potential sites have been identified which may be available for purchase in the near term. Funding for land acquisition will ensure property is available for development of affordable housing, in a competitive property market. HAJC assumes an estimated property acquisition cost of \$250,000 per acre, based on recent projects in the area. Between 15 and 20 units of multifamily housing or 8 manufactured homes can be placed on each acre of purchased land.

Utilizing a portion of funds for development of acquired land will result in units being completed more quickly; under normal circumstances, funds to develop properties are sought through competitive funding opportunities at the Housing and Community Services Department and through philanthropic organizations, and are dependent upon the timing of funding cycles of those organizations. Development funding will enable HAJC to utilize 4% federal Low-Income Housing Tax Credits that will help to fill a larger portion of financing gaps, and could expedite construction such that units can be completed as early as Fall 2022.

HAJC assumes that balancing the priorities of maximizing potential units with expedited completion can best be achieved by planning to utilize \$15 million for land acquisition and \$10 million for development costs. This scenario would yield an estimated 750 eventual housing units, with an estimated 120 of those units completed by 2022. The remaining units would be developed at an estimated rate of 50 to 100 units per year, depending on development funding availability and construction costs.

**Recommendation:** The Co-Chairs of the Emergency Board recommend that the Emergency Board establish a General Fund appropriation by allocating \$25,000,000 from the Emergency Fund to the Department of Administrative Services for a grant to the Housing Authority of Jackson County for land acquisition and development to replace lost workforce housing destroyed during the Labor Day wildfires.