



**Purpose of the fund:** The purpose of the Greater Fremont Development Council's Here We Grow Homes Fund (HWGHF) is to provide "gap" financing to developers for low-to-moderate housing and homeowners consistent with state statute 18.2710.01. The fund customers are developers and homeowners interested in creating, repairing and demolishing homes to help rectify housing needs in the Fremont and Inglewood area, developed after the flood occurred. The customer is unable to fulfill 100% of the low-to-moderate income financing needs with a combination of their own resources and those from a financial institution.

Fund assistance may be provided in the form of fully performing loans, deferred loans, loan guarantees, loan participations, purchase and rental guarantees, equity investments, other credit enhancements or any form of assistance designed to reduce the cost of low-to-moderate housing related to the GFDC fund.

**Affordable Housing Definition:**

The project must consist of at least 20% of the total units (rounding up to whole numbers) which have costs affordable to low-income occupants. The affordable units in a mixed-market development could not be feasibly developed or built but for being combined with open market or other units due to cost or other factors.

*GFDC utilizes the Community Development Financial Institutions Fund guidance for rental housing to define affordable housing. Reference 12 CFR § 1805.301(e)*

GFDC's Advisory Committee will determine Affordable Housing Cost limits per unit based on bedroom size to be applied to properties for purchase or rent. Affordable rents will be established at initial occupancy and may not increase by greater than 3% annually.

Affordable units have an estimated Principal and Interest or rent at or below 25% of the gross income of a household at 80% area median income (AMI).

*The industry standard definition for "affordable" is no more than 30% of the gross income of a household for rent+utilities or principal+interest+taxes+insurance. For*

*purposes of simplifying the calculation, DCIF utilizes 25% maximum for rent or principal+interest for a household with income at or below 80% AMI.*

- U.S. Department of Housing and Urban Development (HUD) income limits or other reliable, verifiable source is used to determine 80% AMI.
- Household size per unit is based on 1.5 persons per bedroom, rounding up to whole numbers.
- Principal estimate is based on a mortgage for 100% of the sales price 30 year fixed rate mortgage, with interest estimate based on local lender trends.