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Design-Build Competition for Zero-Emission Mixed-Use Development

Attached please find comments to the webinar presentation "The Next EPIC Challenge: Reimagining Affordable Mixed-Use Development in a Carbon-Constrained Future."

Additional submitted attachment is included below.

Wakeland Housing and Development Corporation
EPIC Challenge Comments

- 1) Which proposed minimum site requirements are important for this project, and which requirements are too restrictive? Projects that are entirely affordable, i.e. 100% of the units restricted at no more than 60% of the Area Median Income should be allowed to compete on an equal footing as projects that are mixed income. It is much harder to finance projects that have a set aside of units greater than 60% AMI. The EPIC Challenge does not need to increase the difficulty of delivering affordable projects. In addition, in some low income neighborhoods, 60% AMI might be market rate.
- 2) Do the proposed project terms and solicitation timeline align adequately with mixed-use development and affordable housing timelines? It will be a challenge aligning the typical affordable housing development and finance timelines with the proposed process for the EPIC Challenge.
- 3) How can the CEC further engage key stakeholder groups to facilitate the formation of successful partnerships? I think CEC would benefit from direct interviews with housing developers. To be successful, EPIC will need to find mission-aligned organizations who are willing to struggle with the process of marrying an energy program with affordable housing finance and development. Affordable developers have previously been able to adapt our systems to challenging policy objectives, (incorporation of LEED, permanent supportive housing, GHG reduction as part of AHSC) but this is harder to do for a one-off program with funding of \$9 million per project. EPIC would be well-served by facilitating dialogues with developers. Maybe we could walk through how we might work together on projects that are currently in our pipelines. I have a couple of projects that would be excellent candidates for your funding and process. □
- 4) What else can the CEC do to facilitate the development of successful projects? Participating in the design and implementation phases of the competition will involve a significant amount of time and investment of resources from affordable housing developers. Most developers are motivated by securing sites and getting them financed and constructed according to timelines that do not easily align with the parameters of the EPIC Challenge. It would be challenging to take on the financial risk of identifying a site and design process solely for purposes of the EPIC Challenge. In addition, the amount of the funding provided by the program is on the low side to incentive participation in the program given the specific objectives and processes involved. This also appears to be a one-time program, rather than an ongoing funding source. For these reasons, it might be better to go through an RFQ process to select developers to work with. If I knew that one of my projects was going to receive \$9 million in funding to implement the objectives of the program, I would be willing to deploy scarce organizational staff time and financial resources to redesign my site selection/design

development process to participate. To achieve the goals of the program, I do not think you need to go through a design charette process. Rather, I think you could establish some minimum threshold requirements (energy use and production goals, mandate specific technologies, establish requirements for design team interaction and public participation, etc.) and let developers figure out solutions that work.

I like your regional approach for project selection because it will allow EPIC to see how different processes, technologies, etc. interact with different utility areas, climate zones and local jurisdictions. I think it will be very interesting to see how the proposed measures and policy objectives of EPIC will overlay with these other variables. I almost think that you project distribution should be driven by climate zone and utility territory. You might get the best learning from that type of project allocation.