



## **Teacher Attainable Housing Frequently Asked Questions**

### **Why is Bentonville Schools entering into the affordable housing discussion?**

The median home price in Bentonville is about \$450,000 which is a barrier for many families. That includes teachers moving here to begin their careers. In the last couple of years, Bentonville Schools has extended offers to promising young teachers only to lose them when they begin searching for a home.

### **What is your proposal for affordable housing for Bentonville Schools' employees?**

The Bentonville Schools' Board of Education is currently considering a proposal to donate about nine acres of land where affordable teacher housing can be built. Arkansas Attorney General Tim Griffin recently issued an opinion to green light the use of district-owned property for affordable teacher housing in the state.

### **Where is the land located?**

Behind Bentonville High School on J St.

### **What is the Excellerate Foundation?**

[Excellerate](#) is a not-for-profit organization based in Northwest Arkansas, working to build and manage affordable housing sites across our region. Should our land donation be approved by the Bentonville Schools' Board of Education, the Excellerate team will be responsible for all aspects of building the site and managing rental/housing agreements.

### **How did Bentonville Schools first become involved with Excellerate?**

Bentonville Schools has been in a partnership with Excellerate for many years. Excellerate has supported the ABC pre-kindergarten programs in Bentonville since 2014, granting more than \$200,000 annually to support our students in preschool care. That comes to about \$3.5 million to date.

Excellerate also operates the HARK Employee Assistance Program which was created to provide assistance to employees across NWA, including employees of Bentonville Schools, in need of housing, medical services and food.

### **Will only Bentonville Schools' teachers live at the site near BHS?**

The conceptual design proposes 40 cottages deed restricted for Bentonville School Employees only. Another 60 apartments will be made available, using a wait list of those who qualify through HUD. Bentonville staff may qualify, but the remaining 60 apartments will be open to qualifying staff, parents and the community. We're committed to keeping district employees informed when new space becomes available.

### **How is rent control funded?**

Rent for the low income housing tax credit portion of the project is determined by the Arkansas Development Finance Authority. Lower rental rates are possible because the ADFA awarded the developer tax credits. Those tax credits are sold to investors who in turn provide capital for construction. This significantly lowers the cost of the development so developers can (and are required to) charge much less rent while keeping the development economically viable over the long-term.

No federal funding will be used to build sections two and three. This allows the units to be reserved for only employees of Bentonville Schools. These sections are more affordable thanks to private philanthropic funding rather than federal or state programs.

### **Who are the private and philanthropic donors helping to subsidize this project?**

The private funding is the amount of the construction loan and any permanent funding needed for the project. The loan will be provided by any local or national bank to be determined.

Positive conversations are currently being held with potential philanthropic partners, and Excellerate Foundation has already committed to providing more than half of the \$8.9 million needed.

### **At a Board of Education meeting, Jeff Webster with the Excellerate Foundation shared section three would consist of 20 homes to be purchased by teachers, but also stated the land and the home would be owned by Excellerate. What exactly does the teacher own?**

The teacher participates in a shared equity program which provides most of the benefits of home ownership without the challenges. Excellerate Housing will own both the land and the unit. The tenant is not responsible for down payment, mortgage insurance, maintenance, property taxes, closing costs, etc. The tenant will make a principal and

interest payment each month to Excellerate Housing (with the interest being at either market rate or below).

When a staff member, who has participated in the shared equity program, leaves the cottage he/she will receive the principal monies paid as well as equity return to use as a down payment for their next home.

As long as he/she remains an employee with Bentonville Schools, the tenant has up to five years to prepare for moving to a “forever home”.

**In similar projects in other states, area median income dictated the sale price of the home and half of the equity went back to the foundation, in this case Excellerate. Is that the case here?**

Once the tenant has decided to move on to a forever home, Excellerate Housing will return all of the principal the tenant has paid. Excellerate will also provide most of the appreciation of the house to the tenant, keeping only a small portion to assist with long-term maintenance. The appreciation will be tied to the increase in Area Median Income with a cap of 3%.

**Will Excellerate pay any property taxes on these homes?**

Excellerate Housing will pay any required property taxes. Tenants will only insure their personal items in the unit. It's our hope, due to the charitable nature of this development, Benton County will waive property taxes.

**Who pays for electricity and water at the community centers associated with this project?**

The community building's utilities will be paid through the maintenance program for the entire property.

**If the nine acres were sold instead of donated for this project, would the district only be able to use those funds for a specific area?**

While the BHS land was purchased with District reserves, not bond proceeds, the monies from any potential land sale would be earmarked for district purposes.

**Have we considered other uses for the land and for whatever reason chosen to not act?**

District leadership previously discussed an Alternative Learning Education program on the same site but elected to keep this program in its current location on the Bentonville High campus after learning a portion of the proposed land is in a flood plain.