

Entry Description

Agency: Wyoming Community Development Authority (WCDA)

Entry: “*Spirit!* of Wyoming Homeownership Initiative”

Description of Program: The Spirit! of Wyoming Homeownership Initiative was developed and implemented by the WCDA to address the concerns expressed by local government leaders throughout Wyoming for a housing initiative that provided those communities with a tool to help recruit and retain workers in certain occupations which have been determined to be critical to the health and vitality of Wyoming’s cities and towns.

When was it undertaken? The Spirit! Program was launched May 18, 2009.

Why was it undertaken? The Spirit! Program was developed in direct response to a statewide problem: finding and keeping workers in positions that are essential to the community. High housing costs and low wages are a detrimental combination when attempting to hire workers – and then retaining those workers. Because budgets in smaller communities typically do not allow those communities the luxury of paying top wages to workers in essential fields (protective service/law enforcement; healthcare support/technical; education; and social services), it makes recruitment more difficult. Then, if the community is successful in recruiting the worker(s), the challenge continues with retention. If the housing costs are too high for those workers to afford, they either move away from the community or take a job in another industry that pays higher wages. Either way, the community is stuck in the same position having to continually re-start its recruitment process, which is typically drawn out over a great length of time and very expensive. The WCDA saw this situation as an opportunity to help. We couldn’t force communities to pay higher wages, but we could address the housing affordability issue by designing a step interest rate mortgage loan product that starts out at an extremely aggressive interest rate (2.50% when the initiative was launched) then steps up in 50 basis point increments throughout the first 10 years, then fixes at 4.50% for years 11-30.

What has it accomplished? This is an ongoing program, but so far it has accomplished exactly what it was intended to do – provide affordable housing costs to workers in community-essential occupations. The WCDA Board of Directors allocated an initial \$20 million amount for the first issuance of funds. The entire \$20 million fund pool was reserved within two weeks of program launch. Community lenders strongly requested another release of funds because of the overwhelming response from qualified borrowers.

Why was it meritorious? The strong response and initial success of the Spirit! Program enabled the WCDA to confidently determine that this program met and helped rectify a definite need within Wyoming. A new issuance of funding is pending at the time of this writing. This was and is a perfect example of community/economic development through housing. It bolstered and furthered the WCDA’s mission in addition to providing a great tool to help our communities with a problem that had not been addressed this specifically in the past. Above all, though, it helped a large group of honest, hard working people who chose professions that, although they do not pay high wages, help other people and create safe, healthy and vibrant communities.