Arvada Housing Advisory Committee

City of Arvada
Quarter 4 Meeting
Wednesday, December 6, 2023

Link to Webinar: https://us06web.zoom.us/j/81184592685?pwd=4axUnM6BxFoLahXr8bc2aby3DCrQ29.1

Arvada
Housing Authority

Begin Meeting – Pat Noonan, HAC Chair

Name	Affiliation	Present?
Pat Noonan	Housing Advisory Committee – CHAIR	
Mindy Mohr	Housing Advisory Committee – VICE CHAIR	
Paul Bunyard	Housing Advisory Committee	
Lisa Feret *(Smith)*	Housing Advisory Committee	
Andrew Heesacker	Housing Advisory Committee	
Roger Jones	Housing Advisory Committee	
Tim Rogers	Housing Advisory Committee	
Matthew Wedell	Housing Advisory Committee	
Harrison Wilterdink	Housing Advisory Committee	
Linda Haley	City / Deputy City Manager	
Jessica Garner	City / Director, Community and Economic Development	
Carrie Espinosa	City / Housing Manager	
Sam Bradley	City / Aff. Housing Dev. Specialist– LIAISON	
Mollie Fitzpatrick	Root Policy – Consultant	

Meeting Agenda

DATE/TIME: December 6, 2023 / 6:00PM to 7:30PM MST

LOCATION: Arvada City Hall / Anne Campbell Room / 1st Floor / 8101 Ralston Road, Arvada, CO 80238

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1. BEGIN MEETING: HAC CHAIR Pat Noonan: 6:00PM – 6:03PM

- Take Attendance
- Officially Begin Meeting

2. UPDATES from the City: 6:03PM – 6:05PM

3. STRATEGIC PLAN: 6:05PM – 7:15PM

- Root Housing Survey Results and Findings
- Arvada Affordable Housing Fund – Recommendations

4. AFFORDABLE HOUSING INVENTORY UPDATE: 7:15PM – 7:20PM

- 2023 Pipeline and Status Update

5. 2024 WORKPLAN: 7:20PM – 7:30PM

- Targets and Goals for HAC
- 2024 Q2 Meeting: Elect Chair and Vice-Chair

Updates from the City

Thank you for your help on the engagement portion of the Housing Assessment update!

Strategic Plan Items:

1. Root Presentation
2. Arvada Affordable Housing Fund – Final Feedback

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Recommended Principles of the Arvada Affordable Housing Fund (the AAHF)

1. The AAHF is intended to be a <u>renewable source of funding</u> for income-restricted housing in Arvada;
2. The initial pool of funds is comprised of payments on loans and grants issued by the City or the Arvada Housing Authority over the last 40 years;
3. Proceeds from projects where the Housing Authority's affiliate, Arvada Housing Partner LLC participates as the Special Limited Partner will be added to the AAHF;
4. Interest and Principal payments of loans made from the AAHF will be added back to the AAHF;
5. Principal and Interest payments on loans made from the General Fund to restricted-income housing projects will be added to the AAHF;
6. Repayments from Federal or State Grants or Loans to restricted-income housing projects and initiatives will be added to the AAHF subject to use restrictions, if applicable;
7. Funds will be awarded to projects based on a competitive procurement process where final recommendations for AAHF distributions will be made to Council at the sole discretion of the Arvada Housing Authority;
8. All distributions must be approved by Council;
9. Uses and restrictions outlined for the AAHF may be altered to suit the needs of the current climate, but should always be used to serve the housing needs of low and moderate-income persons and households;
10. AAHF may be used as a supplement to other State, Local, and Federal Funds procured by the City on the Project's behalf;
11. **For City-led affordable housing initiatives** the Arvada Housing Authority may, at its sole discretion, use the AAHF to help cover soft costs , exploratory costs, predevelopment costs, and acquisition costs
12. **2023 ONLY**: Legacy Senior Residences and Marshall Pointe have been grandfathered into an award from the AAHF and will not undergo a traditional procurement process:
    1. Legacy Senior Residences: $840,000 – will be brought before Council on December 18, 2023 for approval and release of funds
    2. Marshall Pointe: $850,000 – conditionally awarded in July 2023; did not receive 2023 LIHTC Award

Recommendations for Eligible Projects

Threshold Criteria – Projects should meet this criteria to be eligible to apply

- Project must demonstrate a plan to yield or rehabilitate income-restricted units;
- Borrowers must demonstrate a feasible repayment plan for the funds;
- All loan distributions will include an interest payment set at a minimum of the Applicable Federal Rate (AFR), but may be higher
- Maximum loan term : 30 years
- Maximum loan amortization: 40 years
- Developer/Applicant Contribution to Permanent Sources
- <u>If Rental</u>: Government entity SLP
- <u>If Acquisition Funding</u>: Property owner accepts a Restrictive Covenant on the land so that it may be used for projects where the majority of the residential units are income-restricted;

Priorities – Projects need not meet these criteria, but will likely be more competitive if they do

- If a Rental: Arvada Housing Partner is the SLP
- Strategic Plan compliant
- New construction or conversion of market rate units to income-restricted
- Lower funding request per unit
- Funds can be released at Conversion/Lease-up instead of Pre-development or Construction
- Funds used as a Bridge or have a short repayment timeline
- “Significant” Developer Contribution to Sources – defined in individual application
- “Shovel-ready”;
    - Properly zoned
    - Fully funded* with award
    - Environmental reporting and permitting process is expected to be complete by time of award
- Applicant provides a proposal for loan terms that are more favorable to Arvada than the minimum terms outlined in the Threshold Criteria

**Fully Funded – all other funding sources are confirmed, including LIHTC and PAB*

AAHF Award Withdrawal

AAHF Awards will be withdrawn for any of the following reasons. Exceptions may be granted at the sole discretion of the Arvada Housing Authority:

1. Construction Closing does not occur within the greater of 18 months or two funding cycles from Conditional Award/ Greater of 36 months or three funding cycles if funds are used for Acquisition
2. Unapproved material changes to the development plan outlined in the funding application;
3. Unapproved material changes to the capital stack that would impact the project’s ability to make payments;
4. Project is overfunded to where the Developer Contribution or funding from any other sources must be reduced or returned, and such actions are taken without approval; *it is the expectation that the AAHF Award will be reduced first so that the funds can be re-released to support other projects;*
5. Removal of AHP, LLC as the SLP without approval;

For all the actions and conditions stated above, the Arvada Housing Authority may grant or deny approval at its sole discretion. Such requests will be considered on a case-by-case basis and should take the project, current market conditions, and the competitiveness for AAHF awards into account.

Procurement Recommendations

<u>Pre-Procurement</u>

1. Total available funds will be determined at the start of the Fiscal Year;
2. Notice of Available Funds (NOFA) will be written based on Threshold and Priority Criteria and published before the end of Q 1

<u>Procurement</u>

1. Applications will be due 45 days following publication of the NOFA
2. Project Evaluation and Selection will be done by qualified members of the City team;
3. The Selected Project will be brought to the next HAC meeting for commentary;
4. Funds will be <u>conditionally</u> awarded;

<u>Post-Award</u>

1. Loan terms will be adjusted (within the stated minimum parameters) to fit the deal
2. When project is ready to close on the funding, the City team will bring its recommendation and HAC commentary to Council for approval;
3. If approved, loan documents are executed and funds are released on the agreed upon schedule;
4. If denied, appropriate adjustments are made until Council is ready to approve;

Ongoing HAC Involvement with the AAHF

1. <u>**The HAC will be responsible for the following**</u>:
    1. **Participation in coordination with the City team to determine overall Threshold and Priority Criteria** that will inform the scoring process of the Applications. Revision discussions will occur annually at the Q4 Meeting, and changes will be implemented the next calendar year, however any member of the HAC may request a revisitation of the Threshold and Priority Criteria at the next scheduled HAC meeting by contacting the City Liaison;
    2. Following the City Team's evaluation of the applications and selection of a project(s) to bring to Council, **providing commentary on the selected project(s).** This will be incorporated into the City's recommendation to Council, OR;
    3. If needed, **trigger a re-evaluation of the Applicants**;
    4. Once it is published, **advertising the Notice of Available Funds (NOFA)** to affordable developers and stakeholders with projects or potential projects in Arvada;

2. <u>**The HAC will not be responsible for:**</u>
    1. Operational management of the AAHF, including how much funding is released in a given year;
    2. Writing or reviewing the NOFA and Application;
    3. Evaluating and scoring the applications;
    4. Making a conditional award recommendation;
    5. Negotiating loan terms for the selected Project;
    6. Presenting the final recommendation to Council when the Project is ready to close;
    7. Withdrawing the conditional award should the Project fail to meet the post-award requirements;

Affordable Housing Pipeline:

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Pipeline and Status

Project Name	Address	Development Plan	Type	Units	Status
Arvada House	10175 W 58th Street	Rehabilitation	Senior Rental	88	Under Construction
Legacy Senior Residences	Southwest corner of the intersection of Sheridan Boulevard and W 64th Avenue	100% Affordable New Construction	Senior Rental	72	Fully Funded, Closing set for December 31
Ralston Gardens Apartments	Corner of W. 58th Street and Garrison Street	100% Affordable, LIHTC, New Construction	Family Rental	102	Under Construction
Vance Street Flats	Southwest corner of the intersection of Vance Street and Robinson Way	100% Affordable, LIHTC, New Construction	Family Rental	53	Under Construction
Marshall Pointe Apartments	Intersection of Marshall Street and 52nd Street	100% Affordable, LIHTC, New Construction	Family Rental	260	Pre-development, was not funded in 2023 LIHTC funding round
Habitat for Humanity Townhomes	Northwest corner of the intersection of Carr Street and W. 52nd Street	For-Sale Townhomes, Less than 100% AMI	Family Homeownership	20	Pre-development, seeking gap financing
Marshall Street Landing	Intersection of 55th Street and Marshall Street	100% Affordable, LIHTC, New Construction	Family Permanent Supportive Housing	85	Fully Funded, Completing Design Review and Permitting

2024 Work Plan:

1. Alignment with Writing of Strategic Plan
2. Q2: Elect Chair and Vice-Chair

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2024 Tentative Work Plan

2024 First Quarter **January – March**

- Preliminary Strategic Plan Discussions
- Announce who is interested in Chair and VC Positions

2024 Second Quarter *(after May 1)* **May* - June**

- Chair and Vice Chair Elections or Reelections
- Review of Draft Strategic Plan
- Finalize recommendations to Council
- *Root Policy Contract Concluded*

2024 Third Quarter **July – September**

- Publishing and Approval of Strategic Plan
- *If needed,* any adjustments to Strategic Plan
- Planning for Implementation Strategies

2024 Fourth Quarter **October - December**

- TBD

*Q2 2024 HAC Meeting must take place after May 1 to accommodate Officer Election rules outlined in the HAC Bylaws

Chair and Vice-Chair Elections and Re-Elections

1. As a courtesy and to give your fellow HAC members time to consider, please announce your intention to run <u>at the next meeting: Q1 2024</u>
2. Elections will occur at <u>Q2 Meeting</u> after May 1
   - Officers are elected by Majority Vote
3. Current Officers may be re-elected
4. <u>Responsibilities of the Chair:</u>
   - Attendance Taking;
   - Time keeping during Official Meetings;
   - Receives agenda in advance for review;
   - Setting the next Official Meeting;
   - Helping to ensure discussions between HAC members outside Official Meetings are kept within acceptable parameters;
   - Accepting resignations from HAC members;
5. <u>Responsibilities of the Vice-Chair</u>
   - Performing the Chair's duties in the event of an absence;
   - Taking over as Chair should the Chair need to resign position as Chair or resign from the HAC mid-term;

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