

Housing Advisory Committee 2nd Quarter Meeting June 5, 2024

Date: June, 5, 2024

Time: 6:00PM to 7:30PM

Location: City Hall, Anne Campbell Room, 1st Floor

Address: 8101 Ralston Road, Arvada, CO 80002, USA

Zoom Link: <https://arvadaco-gov.zoom.us/j/87442808073?pwd=bSyLoQFtXjmPWmAG7pG3eWKAAtQkf1N.1>



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 (<i>Smith</i>)	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	
Linda Haley	City/ CED Director	
Carrie Espinosa	City / Arvada Housing Authority	
Sam Bradley	City / Arvada Housing Authority – LIAISON	2

Agenda - Overview of Current Initiatives

1.	Attendance		6:00PM - 6:05PM
2.	Updates from the City		6:05PM - 6:10PM
3.	Vote for New Chair and Vice Chair		6:10PM - 6:15PM
4.	Setting Dates for Q3 and Q 4		6:15PM - 6:20PM
5.	Strategic Plan Implementation		6:20PM - 7:00PM
6.	NOAH - Council Interest		7:00PM -7:30PM
	Set Official Reoccurring Meeting Dates <i>optional, if time allows</i>		7:30PM

Updates from the City

1. Housing Strategic Plan was Approved!
 1. Special thanks to Pat Noonan for addressing Council
 2. Special thanks for Mindy Mohr and Andrew Heesacker for their comments to Council and their support
 3. Some critiques of the Plan we will work to address
 1. Not prescriptive enough in terms of action steps
 2. Insufficient plan for NOAH
2. Clerk's Office has asked us to set Meetings going forward

New Chair and Vice Chair

Chair Candidate(s): Pat Noonan

Vice Chair Candidate(s): Mindy Mohr

Dates for Q3 and Q4

- 3rd Quarter – 9/25/2024
- 4th Quarter:
 - 10/23/2024
 - 11/6/2024
 - 11/20/2024

Strategic Plan

Next Steps



Review of Strategies

1. *Continue:* Federal and State Funds and Nonprofit service Partnerships
1. *Expand:* Allocation of publicly owned land and/or land banking initiatives
1. *New:* Revenue Source for the AAHF
1. *Expand:* Production of income-restricted housing
1. *New:* Investment in preservation of existing income-restricted properties and NOAH
1. *Expand:* Staff Capacity
1. *Expand:* Development Incentives for Affordable Housing
1. *Expand:* Applicable Recommendations from Jeffco Housing Advocacy Steering Committee
1. *New:* Explore Affordability requirements/impact fees for new development

Highlighted Strategies were Identified as “HIGH PRIORITY”

Next Steps

- Federal and State Funds and Nonprofit Service Partnerships
- **Implementation Step:** Continuation of current process with eye towards expansion if there is an applicable project in need. City just applied for an Energy Efficiency Grant on behalf of the Marshall Point Project.
- Allocation of publicly owned land and/or land banking initiatives
- **Implementation Step:** Apply for Prop 123 grant when published in July. Engage with legal and City Manager's Office to come to a decision on whether or not the City wants to pursue land banking
- Revenue Source for the AAHF
- **Implementation Step:** Determination of estimated needs and projected Revenue
- Production of income-restricted housing
- **Implementation Step:** Release Notice of Available Funding for the AAHF
- Investment in preservation of existing income-restricted properties and NOAH
- **Implementation Step:** Discuss with HAC at Q2 Meeting
- Staff Capacity
- **Implementation Step:** TBD, if Needed
- Development Incentives for Affordable Housing
- **Implementation Step:** City Staff to discuss with Planning Division to bring to HAC meeting
- Applicable Recommendations from Jeffco Housing Advocacy Steering Committee
- **Implementation Step:** City Staff to discuss with Planning Division to bring to HAC meeting
- Explore Affordability requirements/impact fees for new development
- **Implementation Step:** Nexus Study

Proposed Action Steps for 2024

Land Banking & Allocation

- Apply for Prop 123 Funds in 2024 round
- List out City-Owned Parcels and potential acquisition
- Recommend either land banking or acquisition and donation

AAHF

- Release NOFA
- Determine projection under current conditions to determine needs

Preservation

- List of affordable properties reaching the end of their compliance periods
- HAC discussion on preliminary NOAH strategy and challenges TONIGHT

Development Incentives/Jeffco Recommendations

- Discussion with Planning to determine what could be possible
- Bring to Q3 HAC meeting for feedback

HAC Thoughts on 2024 Priorities

Ongoing Steps

2024

Continue grants
Land Banking decisions and Prop 123
Release AAHF allocation
Begin working in NOAH Preservation Strategy
Identify development and zoning incentives

2025

Continue grants
Begin engaging in land banking or/acquisition and donation
Propose funding sources for AAHF
Implement AAHF and development incentives to encourage new production of housing / Update Code to reflect
Identify preliminary steps to preserve NOAH and Affordable and begin implementing
Possible NEXUS Study for Development Fees

2026

Opt back into Prop 123
Unveil 90-Day Affordable Housing Permitting process (obligation under Prop 123)
Continue land engagement process
Add promising NOAH strategies to Strategic Plan as addendum
Add new revenue source to AAHF

NOAH Preservation

Council Request



NOAH v. Attainable Housing

- NOAH: Naturally Occurring “affordable” Housing
 - Market rate housing that cannot command high rent or home sale prices due to a variety of factors, including: **age, condition, location, home type, or size**
 - NOAH is housing that already exists
 - NOAH can be defined because it’s tied to a specific price point: Monthly payments = 30% Gross Income of a household earning less than 80% AMI
- Attainable Housing:
 - Implies the housing unit was built to be sold at a lower price point (i.e. – condos, townhomes, duplexes and triplexes)
 - Attainable housing can be NOAH or become NOAH, but is more associated with affordability provided by the building type
 - There are no official income limits or designations associated with Attainable Housing, though some developers do adopt the defined NOAH price point as a matter of internal policy.
- Neither NOAH nor Attainable Housing have an obligation to remain “Affordable” for any length of time

Emergency Home Repairs Program

- **Existing Program administered by the Housing Division of the City**
- **Program Funds:** CDBG Funds of **\$300,000** annually
- **Program Parameters:**
 - Applicable Uses: Grants to pay for home repairs
 - Eligible Participants: Single-Family Homeowners with household income below 80% AMI
 - Average Grant Amount: \$12,000, but can go up to \$20,000
 - Repayment: was previously administered as a loan, but is now exclusively a grant due to the administrative costs
 - Waitlist: 57 Households
 - Average Households Served Per Year: 25
 - Restrictions: If home is sold within 5 years of repair work, grant must be repaid
 - Administered by: Brothers Redevelopment
- Homeowners must add themselves to waitlist then be pre-approved based on income
- Brothers Redevelopment performed the work and is reimbursed by CDBG Grant

Challenges with NOAH

- **All NOAH is privately owned property, meaning the City has no control over it, and no guarantee that the property will remain affordable**
 - **NOAH preservation efforts may eradicate the affordability of the unit for the next owner**
 - For private homes: the act of preserving/repairing it might make the selling price increase beyond the affordability threshold
 - For rentals – the landlord may decide to sell at any time
 - Risk that city funds might to enrich individuals
- **Many grants and loans have affordability requirements and/or obligations**
 - Adding an affordability obligation to a market-rate property will decrease any potential sales price for the duration of the obligation – this could hurt owner equity
- **Potentially one of the more expensive affordable housing strategies**

Affordable Cost Per Unit Per Year

Legacy Senior Residences

Loan (30 Yr. Term):	\$840,000
30 Year Tax Savings NPV:	\$1,540,000
30 Year (estimated) SLP Fees NPV:	-\$900,000
Return of Capital:	-\$840,000
Proceeds from Loan (NPV):	-\$225,000
Total Investment:	\$415,000
Total Units	72
Investment Per Unit	5,765
Years:	30
Investment PUPA	\$192.00

Single Family Home

Grant:	\$10,000
Units:	1
Years:	15
Investment PUPA:	\$667.00

NOAH Strategy Brainstorming

- Extending the option for NOAH rental units to enter into SLP partnerships with the City for tax benefits
 - Could condition the benefits on keeping rents below a published threshold for as long as the City remained on as an SLP
 - Challenges:
 - Additional staff: to monitor leases, additional building inspections for health & safety if City is a part owner, compliance staff to monitor property management
 - Owners could use lower tax period to revitalize the property, exit the Partnership, and raise rents to market rate
- Enhancement of the **EHLR** Program
 - Increase the number of homes repaired
 - Challenges:
 - Funding: Currently funded through CDBG, not City money, and is offered as a grant because it is too administratively burdensome to recollect funds – this would either need to change or become a line-item in the City's budget unless additional grants could be identified
 - Increase in Property Value: Some repairs may increase the value of the privately owned home, so that when the owner sells, it is no longer NOAH
- Incentivization of Sales to Land Trusts
 - Monetary or in-kind assistance to struggling home-owners conditioned on the sale of their homes to a Land Trust
 - Challenges:
 - Owner Equity: Land Trusts may buy at the highest price point
- ADU Assistance
 - Financial aid to qualified homeowners building ADUs to generate rental income to help sustain property; City could take a small cut of the rental income to help sustain the funding source; Arvada gains an additional unit of housing (deed restricted??)
 - Challenges:
 - Very high start-up costs: ADUs can be \$200-\$300K to build
 - Increase in Property Value: ADU will increase property value

HAC Brainstorming