

# Housing Advisory Committee 4th Quarter Meeting November 20, 2024

**Date:** November 20th, 2024

**Time:** 6:00PM to 7:30PM

**Location:** City Hall, CCR, 3<sup>rd</sup> Floor

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

**Zoom Link:** <https://arvadaco-gov.zoom.us/j/84111860562?pwd=oAHEy1ebbw161zKePrZZfrKfIVEWn.1>

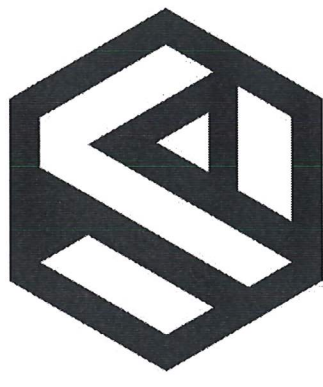
# Begin Meeting – Pat Noonan, HAC Chair

Name	Affiliation	Present?
Pat Noonan	Housing Advisory Committee – CHAIR	
Mindy Mohr	Housing Advisory Committee – VICE CHAIR	
Paul Bunyard	Housing Advisory Committee	
Alicia Coulter	Housing Advisory Committee	
Lisa Feret ( <i>Smith</i> )	Housing Advisory Committee	
Andrew Heesacker	Housing Advisory Committee	
Tim Rogers	Housing Advisory Committee	
Matthew Wedell	Housing Advisory Committee	
Harrison Wilterdink	Housing Advisory Committee	
Emily Grogg	City/Sr.Asst City Attorney	
Jessica Garner	City/ CED Director	
Carrie Espinosa	City / Arvada Housing Authority	
Sam Bradley	City / Arvada Housing Authority – LIAISON	

# Agenda - Overview of Current Initiatives

1.	Attendance	6:00PM
2.	Bylaw Update – VOTE	6:05PM
3.	2025 Meetings - VOTE	6:30PM
4.	2025 AAHF Status	6:40PM
5.	2025 AAHF Criteria Discussion	6:45PM
6.	Affirmation of 2025 Criteria – VOTE	7:25PM

# Bylaws: Proposed Amendments



- Article III- Membership, Section 1 (d)
  - Allow for City Council alternate to attend and vote on behalf of the City Council liaison.
  - City Council already has authority over this committee and allowing an officially named alternate to participate allows flexibility and ensure business is completed in a timely manner.
  - The Clerk's Office will have to work with Council to appoint an official alternate; there is not one at this time.

**VOTE TO AMEND ARTICLE III:** \_\_\_\_\_

# Bylaws: Proposed Amendments



- Article IV- Meetings, Section 1
  - Provide HAC flexibility in setting meeting schedule each year
  - Meeting shall be posted on the City's website and removed reference to Division of Housing and Preservation and Resources website.
  - Meetings will be listed on City's calendar and with other committee information.
  - This doesn't prevent staff from posting other places but allows for flexibility as our website evolves.
  
- Article IV- Meetings, Section 5
  - Changes the definition of quorum for the transaction of business from 7 Committee members to 5 Committee members.
  - This aligns with other boards and commissions within the City and common practice that a quorum in more than half of the appointed members.

**VOTE TO AMEND ARTICLE IV:** \_\_\_\_\_

# Results of 2025 Meeting Date Poll:

# **VOTE: 2025 Meeting Dates**

# Private Activity Bonds

- City of Arvada is allocated approximately \$8M in PAB per year based on its population
- PAB awards are needed for LIHTC projects at access the funding
  - City typically assigns PAB to fund LIHTC development, though PAB can be used for other projects
  - 4% LIHTC credits tend to yield the highest multiplier effect for PAB, as PAB can open up millions in equity financing for housing projects
  - PAB application will seek to support new construction Affordable Housing Projects
- City of Arvada will release an application for its 2025 PAB allocation in Q1
  - Two LIHTC developers have already shown some interest in applying for PAB for 2025

# **Discussion for Possible 2025 AAHF Criteria**

# Current Status

- \$2.6M:
  - Earmarked loan for \$850,000 for Marshall Pointe to be deployed in during the construction period – between 2025-2027
- Pending Distributions:
  - \$500,000 from Marshall Pointe
  - \$150,000 to \$200,000 for Castle Gate
- 2024:
  - No distributions made
    - Discussions with pending projects including yielded two challenges:
      - 1. Projects would be unable to make even interest-only payments, and could only accept a grant
      - 2. Projects were not far enough along in assembling their capital stack to accept a loan

# Review of 2024 Criteria

**Threshold Criteria** – Projects must meet this Criteria to be eligible to apply

- Project must 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)
- Maximum loan term : 30 years
- Maximum loan amortization: 40 years
- 20% Deferred Developer Fee
- If LIHTC Rental: Government entity SLP
- If Acquisition Funding: Developer accepts a Restrictive Covenant on the land so that it may be used for income-restricted units only;

**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
- 30% Deferred Developer Fee or greater
- “Shovel-ready”;
  - Properly zoned
  - Fully funded\* with award
  - Environmental reporting and permitting process is expected to be complete by time of award

# Proposed 2025 Criteria

- Keep:
  - High degree of flexibility
  - Arvada does not have enough projects in the pipeline to start becoming overly selective – yet
  - Repayment needed: no grants at this point
- Considered revising:
  - Timing of release of funds
  - Using AAHF as the last in funding source
  - Contingent of SLP partnership
- Consider striking:
  - Acquisition funds

# 2025 Proposed Initiative-Ground Leasing

- **Strategy #2: Land Banking/Ground Leasing Program**
  - City is exploring the possibility of deploying some City owned parcels for development into income-restricted housing
  - Would deploy a Capitalized Ground Leasing Program instead of selling or donating the land
    - Capitalized Ground Lease: large one-time payment made at closing or conversion based on appraised value of the land, and nominal payments for the duration of the lease (50-75 years)
  - Can use Capitalized Ground Lease payments to purchase additional land and restart the process
  - Can couple with loans from the AAHF
  - Next Steps:
    - Vet with City Council
    - Hire a legal team that specializes in writing ground leases to help protect the City legal exposure
    - Conversations with Developers to get feedback on how to make the program attractive
- **Lessons learned from Habitat for Humanity Townhomes**
  - Tying benchmarks to permitting and construction instead of just permitting
  - Being prepared to deploy more resources to ensure that the projects can find their funding and close faster