

# Housing Advisory Committee

**Date:** February 12, 2025

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

**Location:** City Hall, Utilities Conference Room

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

**Zoom Link:** <https://arvadaco-gov.zoom.us/j/84699636593?pwd=cAWbq6O91bfPnHhsH9lowE85xNXMLa.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 Duncan	Housing Advisory Committee	
Andrew Heesacker	Housing Advisory Committee	
Tim Rogers	Housing Advisory Committee	
Matthew Wedell	Housing Advisory Committee	
Harrison Wilterdink	Housing Advisory Committee	
Jessica Garner	City / CED Director	
Carrie Espinosa	City / Arvada Housing Authority	
Sam Bradley	City / Arvada Housing Authority – LIASON	

# Agenda - Overview of Current Initiatives

**1. Attendance**

**2. Bylaw Update**

January 6<sup>th</sup> Council Vote and Discussion

February 10<sup>th</sup> Workshop

**3. Prop 123 Land Banking - UPDATE**

Proposed Project - Submitted February 10<sup>th</sup>

Land Banking Structures - Strategy #2

**3. WorkForce Project**

Presentation made to Council

**4. Project Pipeline - Public**

Marshall Pointe - CLOSED

Final Package from the City

Teller Street Project - Possible Support

**5. PAB Application - UPDATE**

**6. Land Use Development Code**

Strategy #7 and #8 - Update from Jessica Garner, Dir. CED

# Bylaw Update



# February 10<sup>th</sup> Study Session

- Bylaw Updates
  - HAC can schedule meetings one year in advance
  - City Council Representative can send another City Council Member in their place
  - Quorum size reduced from seven to five
  - Twice per year official updates stricken
  - “Affordable” removed and replaced with “needs identified by the most recent Housing Needs Assessment” which will be updated every six years per Colorado State Law
    - Current Housing Needs Assessment identifies a needs for units that are affordable to households earning low to moderate incomes
  - Council can ask for feedback on any housing related matter ad hoc
- Repositioning
  - Request to diminish emphasis on subsidized units

# Prop 123 Land Banking and Ground Leasing



# Prop 123 Proposed Project

- Submitted February 10, 2025
- 5395 Allison Street - \$1M Purchase Price
- **Proposed Development Plan**
  - Re-Zone property to R24
  - Public Solicitation to a developer for a 15-unit development
    - Affordable Rental
    - 60% AMI
    - 36 Months to assemble capital stack and begin construction
  - City will retain ownership of the land via a Capitalized Ground Lease

# Ground Leasing

- Requirement of Prop 123 Land Banking funds as the City cannot self-develop, or give the land to a for-profit developer
- **How it works:**
  - City owns the land; Developer owns the Building
  - Extremely long-term leases
  - On-going restrictions on what can be built and operated on the land
  - **Advantages:**
    - Long-term control over affordable inventory for the City
    - Capitalized Ground Lease Payments to unlock the value of the land without selling
      - Funds can be leveraged into other housing initiatives and land purchases
    - City can select WHO gets to develop in Arvada
  - **Disadvantages:**
    - Unlikely the City will re-coup entire market value of the land
      - OK if purchased with a grant, more difficult if purchased with AAHF or General Fund
    - Some additional liability the City needs to be insured for

# Capitalized Ground Lease Structure

- Two forms of lease payments:
  - Capitalized Payment
    - Large lump sum payment based on the appraised value of the property
  - Annual Payments
    - Nominal payments made over the term of the lease
      - Usually below \$5,000 per year; 1-acre \$10-\$1,000
- Terms: 75 to 99 years
- **Example:**
  - 123 Olde Town Street has a 1-acre parcel worth \$1 Million
  - City purchases the parcel using \$500,000 in grant funding and \$500,000 from AAHF
  - *Possible Ground Lease Structures:*
    - Cap Lease Payment at closing of \$500,000; Annual Payment \$1,000 per year
    - Cap Lease Payment of \$750,000 - \$400,000 at closing, \$350,000 takes as a Seller's Note and paid out of available cashflow; Annual Payments of \$500 per year

# WorkForce Presentation to Council



# Work Force Project on Marshall Street Site Introduced

- **TABLED** until Council makes a decision on the Homeless Navigation Center
  - Parcel may be needed for the Navigation Center
- Proposal: 150 Unit WorkForce Project (80% to 100%) AMI was presented as an alternative, should the Navigation Center be placed elsewhere or postponed.
- Project would also utilize a Capitalized Ground Lease Structure to unlock value in the land
- Council's initial feedback:
  - Concerns surrounding:
    - Gentrification
    - Overall revitalization plan for the area
    - Subsidization
  - Positive Feedback:
    - Open to ground leasing as a housing tool
    - Willing to consider it as a possible use IF it will not be used for a Navigation Center
    - WorkForce with possible mixed use

# Project Pipeline



# Marshall Pointe - CLOSED

- Closed February 6, 2025
- 260 units of affordable housing with an average income of 60% AMI
- LIHTC Project
  - Guaranteed 30 years of affordability
- Hits Arvada's Prop 123 commitment
  
- **City Support Package:**
  - Grant writing support: \$2M Grant from DOLA to help pay Arvada tap fees
    - Total system development charges were \$7+M
  - Voucher Support: 8 units at 120% AMI
    - Generated an additional \$400,000+ in permanent debt
  - AAHF Loan: \$850,000
    - 3.5% interest
    - Interest payments underwritten as hard debt, principal paid out of cashflow
    - 20-year term
  - SLP Partnership
    - City Fees: \$500,000 at Closing, \$50 PUPA w/ 3% escalation
    - At the end of compliance period, property can either pay 15% taxes OR make another lump sum payment
    - Approximately a 90% discount for the first 15 years,
  
- **Discussion:** going forward, what do we think about this level of support?

# Teller Street Project

- 54 units – Modular
- 100% WorkForce with a 90% AMI cap and a blended target of 80% AMI
  - 10-year baseline affordability commitment
  - If successful in receiving Prop 123 Funding, commitment will be 30 years
- **Discussion: Looking for City Support**
  - Vouchers
  - AAHF Loan
  - SLP Partnership
  - Letter of support

# Private Activity Bonds (PAB)



# PAB - UPDATE

- City of Arvada was awarded **\$7,946,818** for 2025
- Arvada Housing Authority will award PAB to a **LIHTC project** that anticipated closing within **18 months** of the award
  - NOTE: PAB is needed to unlock LIHTC
  - If there is no project that can reach that threshold, the City will roll the funds over to the following year

## Timeline:

Request for Proposals is published:	1/31/2025
Deadline for questions:	2/17/2025
Answers to Questions (if any) is published as an addendum to the RFP:	2/19/2025
Submittal Deadline:	2/24/2025
Application Review and Question Deadline for City:	3/21/2025
Notification of Conditional Award(s):	3/28/2025

# Land Use Development Code (LDC)

Jessica Garner, Director  
Community and Economic  
Development



# LDC - UPDATE

- Strategic Plan
  - Strategy #7:
    - Incorporate additional incentives for income-restricted developments (and update the definition of “affordable” in the code)
  - Strategy #8:
    - Implement land use recommendations from the Jeffco Steering Committee on workforce housing
- City of Arvada Planning Department is in the process of updating the LDC

# Draft Work Plan – Met Milestones

## DRAFT WORK PLAN WITH LEGISLATIVE MILESTONES

<b>DATE</b>	<b>MILESTONE</b>
May 13, 2024	Effective date of <b>HB24-1152 – Accessory Dwelling Units</b>
July 1, 2024	Effective date of <b>HB24-1007 – Prohibit Residential Occupancy Limits</b>
July 8, 2024	Work on LDC updates begins
September 30, 2024	Map of applicable Transit Service Areas under <b>HB24-1304 – Minimum Parking Requirements</b> produced by DOLA
September 30, 2024	DOLA publishes transit and watershed maps in accordance with <b>HB24- 1313 – Transit-Oriented Communities</b>
October 8, 2024	Project timeline to Planning Commission
October 15, 2024	Retreat to discuss LDC updates with Planning staff
December 31, 2024	Latest date state begins to issue licenses under <b>Proposition 122 – Natural Medicine Health Act</b>
January 16, 2024	First group of LDC updates completed
January 21, 2025	Workshop #1 with Planning Commission re: first group of LDC updates
February 4, 2025	Workshop #2 with Planning Commission re: first group of LDC updates

# Future Milestones

February 17, 2025	Workshop #1 with City Council re: first group of LDC updates
February 28, 2025	DOLA provides Housing Opportunity Goal (HOG) calculation model in accordance with <b>HB24-1313 – Transit-Oriented Communities</b>
March 3, 2025	Workshop #2 with City Council re: first group of LDC updates
April 8, 2025	Public Hearing with Planning Commission for Recommendation re: first group of LDC updates
May 5, 2025	City Council First Reading of Ordinance re: first group of LDC updates
May 19, 2025	City Council Second Reading of Ordinance re: first group of LDC updates
June 19, 2025	Effective date of Ordinance re: first group of LDC updates
June 30, 2025	Effective date of <b>HB24-1304 – Minimum Parking Requirements</b>
June 30, 2025	Deadline to apply to qualify as a supportive jurisdiction under <b>HB24- 1152 – Accessory Dwelling Units</b>
June 30, 2025	Subject jurisdictions are required to allow one accessory dwelling unit under <b>HB24-1152 – Accessory Dwelling Units</b>
June 30, 2025	Preliminary assessment reports in accordance with <b>HB24-1313 – Transit-Oriented Communities</b> due to DOLA
November 1, 2026	Effective date of <b>Proposition 123 – Expedited Review of Certain Housing Projects</b> for second commitment cycle
November 1, 2026	Deadline to file a commitment under <b>Proposition 123</b>
December 31, 2026	Final assessment reports/water insufficiency notice in accordance with <b>HB24-1313 – Transit-Oriented Communities</b> due to DOLA
December 31, 2026	Deadline to conduct and publish a local housing needs assessment pursuant to <b>SB24-174 – Sustainable Affordable Housing Assessment</b> . Housing needs assessments that have been completed after 2022 and before December 31, 2024 may qualify.

# Future Milestones

December 31, 2026	Deadline to update the Comprehensive Plan with the new elements required under <b>SB24-174 – Sustainable Affordable Housing Assessment</b>
January 1, 2027	Deadline to implement an expedited review process under <b>Proposition 123 – Expedited Review of Certain Housing Projects</b>
December 31, 2027	HOG to be implemented by cities pursuant to <b>HB24-1313 – Transit Oriented Communities</b>
January 1, 2028	Deadline to prepare a housing action plan in accordance with <b>SB24-174 – Sustainable Affordable Housing Assessment</b> . Housing action plans prepared after January 2022 may qualify.