

## POLICY AND PROGRAM HOUSING ADVISORY SUBCOMMITTEE MEETING

Thursday, April 4, 2019 | 2:00 p.m. – 4:00 p.m.

Webb 1B6

---

### **Committee Members Present (Full Committee):**

Carl Patten, Randy Kilbourn, Chris Conner, Jennie Rodgers, John Parvensky, Dindi Wade for Kevin Marchman, Tracy Huggins, Sarah Showalter, Brendan Hanlon, Kenneth Ho, Heather Lafferty, Jenny Santos, Eric Hiraga, Britta Fisher, Ismael Guerrero, Chuck Perry, Polly Kyle for Councilwoman Robin Kniech

**Committee Members Not Present (Full Committee):** Alison George, Cris White, Bill Pruter, Veronica Barela, Monique Johnson

- **Roll call**
- **March meeting minutes approved**
- **2019 NOFA Awards Discussion:**
  - Does Sunshine Home Share have restrictions for immediate family members?
  - How do we leverage the new programs to best serve the needs they are trying to address?
    - Anti Displacement Policy Network – keeping low income homeowners in place – Philadelphia – assistance paying
    - Use funds to incentivize universal design
      - Micro units are nearly impossible to do universal design (ADUs; tiny homes)
    - Programs like home share – how do we address the zoning that states no more than two unrelated people can live there (housing coops, groups of people to buy a home)
      - Need to also fix in the building code, not just zoning code; requirements for sprinklers
      - Nathan Hunt – working with the Governor to talk about this
      - Lots of comments re; removing zoning code that says no more than two unrelated people living in a unit
      - Opportunities for home-sharing opportunities (innovative projects)
      - Create a co-op where house could be owned by a community of unrelated people
      - Create that homebuying track; say there is a group of 5 people to own an asset as themselves
      - Also have to fix it in the building code not just the zoning code, at some point when you have a number of unrelated it becomes a rooming house – and international building code requires sprinklers (Golich)
      - Have Scott come and discuss the zoning a piece
      - Eg Queen City Cooperative
- What gaps still exist?
  - Lack of accessible units – increase the number

- Development and matching residents who need accessible units with those units
    - Specifically type A units – state has a requirement for a percentage to be type A units
    - Vouchers for accessible market rate units
    - Cost of building type A units and could we do more type B units
      - Work with development team and disability community to talk more about the construction and regulations that do not make sense in practice
      - Type A, full ADA; Type B, elevator accessible and nearly full ADA
      - Can city require more Type B units
      - Have inspections group provide some clarification round interpretation
      - City inspections, state, and internal ADA inspectors from their shop
      - Connect Kenneth Ho’s units with Randy Kilbourn’s clients – **Innovative Project idea**
  - People experiencing homelessness going to shelters and finding out they’re not accessible
    - Denver’s Road Home is hearing this often and working on addressing it
    - Accessible transit is also an issue
    - Visiting units that are not accessible is also an issue
  - People experiencing homelessness are asking for more SRO models – separate rooms but with shared kitchens and spaces (eg old YMCA model)
    - Motels
    - Other alternative ways to think about this – serve disabled community better and save construction costs money
    - The old YMCA model (congregant living facility)
    - 200 people are paying \$8/night for some flexibility, laundry in emergency shelter crisis involvement – why are they here instead of SRO?
    - Could be for a couple months to a couple of years
    - Buying of motels for transitional bridge option
  - CHFA cut down on their Down Payment Assistance – CHFA has high interest
    - What about public banking
    - Making DPA more accessible
      - DPA – Higher income/ AMI levels
      - CHAC – is up to 80% AMI, are they finding people who fit this AMI who can afford to be a homebuyer
      - Denver’s Down payment assistance is up to 120% ....
      - DEDO should be less restrictive than federal programs if there isn’t a reason to be that restrictive
  - PSH Supportive Services
- **Continued Discussion on Preference Policy Framework**

- Given the follow up information from Root Policy on the HAC March discussion, do you have any additional feedback on the Administration questions from the March meeting (percentage of preference, applicability of preference, etc.)?
- What recommendations do you have for city staff for outreach to key stakeholders and public?
  - **Need to include council outreach into the timeline as soon as possible**
  - Would like to see people experiencing homelessness have a preference
    - What if we had preference for both (people experiencing displacement and people experiencing homelessness)? Weighted the same.
    - Policy where they are not pitted against each other but are both addressed
    - Layer them like they do in San Francisco?
  - Definition being used for displacement is similar to HUD's definition of at risk to homelessness
    - Very similar to displacement of people experiencing homelessness
    - If I was someone who had been homeless for a couple years, and I learned that someone else got a unit and I didn't, would be upset
  - Why aren't landlords who own/sale single homes, don't pay linkage fees, and raising rents, who are contributing to displacement being held accountable?
    - Transfer taxes - currently prohibited by TABOR
    - Small private landlords are paying in nothing, they aren't paying linkage fee.
  - What about affordable housing providers? Affordable housing is hard enough to build and now you are burdening them with this?
  - Administering – if online, is there an asterisk that states it is only available for people meeting certain criteria?
  - if It has to be a project that has City-funding in it, you have that tie to it.
  - Concerns with 45 days being unreasonable
  - What about Portland's policy that is only in Urban Renewal Areas – would like to explore further
  - Root Policy – giving a presentation to ADPN
  - Would like Council outreach to occur
  - More interested in the neighborhood based approach – if we have a more citywide approach need to talk more about that – neighborhood approach being that of when a large public investment happens in an area
  - Increase of 40% rent – does not seem there is enough time
  - Neighborhood definition – is it a radius or other defined area
  - Maintaining of the list – should be managed by people outside the city
    - Would have to be connected to OneHome
  - Should not apply to coops/rent to own
  - Marketing – income restricted
    - School district – metro district
    - Could we get more information on marketing
  - Portland's policy is only in urban renewal area
  - Most interested in neighborhood approach, as opposed to city-wide approach
  - What is the definition of neighborhood?

- Is it a radius?
  - Statistical neighborhood?
- Maintaining a wait list for units – MUST be contracted out
- Clarity around marketing re: Fair Housing rules
- Resident Based Program: Need more feedback. This is not the approach we have been hearing from communities that are looking for a policy to be implemented so would want to hear more of the pros and cons.
- The factors that could be looked at to determine if someone is vulnerable to displacement don't match the timelines for a preference policy program. Could we talk to Tim at DHS or NE Denver Housing to talk about what these timelines actually look like. Most preference policies operate off a waiting list, so something like a no cause eviction may not get folks into housing as quickly as they need.
- Don't feel this should apply to co-ops, rent to own. DEFINITELY not PSH.

HAC Finance Subcommittee Meeting

April 4<sup>th</sup>, 2019

2:00 pm – 4:00 pm

Webb Building: 1B6

**Committee Member Attendees:** Kevin Marchman, Brendan Hanlon, John Parvensky, Councilwoman Robin Kniech, Jennie Rodgers,

**AD Hoc Members:**

**Staff Attendees:** Chiquita McGowin, Ami Webb, Jackson Brockway

**Finance Committee Purpose:**

- ✚ Inform plan priorities that are properly reflected in the housing budget
- ✚ Monitor federal and state policy/budget changes and their impact on Denver
- ✚ Work with Department of Finance to ensure we meet City budget planning timelines
- ✚ Explore opportunities to increase capital resources in support of the housing plan

**Meeting Topics:**

- ✚ Review 2018 and 2019 Housing Budget
- ✚ Discuss Format for May Budget Retreat <sup>h</sup>
- ✚ Plan additional subcommittee meeting prior to May Budget Retreat

**Meeting Notes**

**Call to Order Heather Lafferty**

Roll Call of Committee Members Alison George

Approval of March Meeting Minutes Heather Lafferty

**HAC/DEDO Announcements -Britta Fisher**

The Office of Economic Development is now Denver Economic Development & Opportunity (DEDO). The new name better reflects our work in the city. Members were encouraged to participate at the stakeholders engagement meeting for the IHO rules and regulations on April 5<sup>th</sup>. She also informed us that the Stadium District master plan up for comment – on denvergov.org site the housing goals are mentioned. Don't forget to sign up for the Housing Forum on April 19, reception April 18<sup>th</sup> 5:30 @Polisenelli Bldg.

April is Fair Housing Month! – Kevin Marchman from the Denver Metro Fair Housing Center announced that it is the busiest month of the year for them and discussed some of their activities. He also announced that the Metro Fair Housing Center will hold their Annual Gala on June 21<sup>st</sup> at the Botanical Gardens. Kevin informed us that Tammy Holloway was out due to a serious car accident and wished her a speedy recovery.

**Finance Subcommittee Discussion**

Kevin Marchman open the meeting by establishing the primary goal is to prepare for the May 3<sup>rd</sup> HAC budget retreat. Chiquita briefly discussed the 2018 budget and where we ended with the spending priorities. She went over the new innovated programs that were awarded in the 2019 NOFA process.

- **Bridge to Permanent Supportive Housing** – Highly vulnerable individuals and families will be provided with bridge housing, to serve as a transition from homelessness to placement in permanent supportive housing. The program awards support the Colorado Coalition for the Homelessness to lease 20 housing units for bridge housing, with each unit turning over approximately once per month to serve an estimated 200 households this year.
- **Rapid Rehousing** – Case management is augmented by temporary housing assistance including security deposit, rent, and utility payments provided to low-income individuals and families experiencing homelessness through a partnership with Volunteers of America. 175 households will be assisted with an expected outcome of 70% stably, permanently housed at program exit.
- **Home Sharing** – Sunshine Home Share Colorado will leverage its home sharing model, matching home owners with home seekers, as an immediate affordable housing option to serve more than 40 households in need. The nonprofit will promote home sharing options to individuals who are on the waiting lists for income-restricted housing.
- **Energy Outreach Colorado** - This program is meant to ensure that all low-income Coloradans can meet their home energy needs. Energy Outreach brings a holistic home improvement approach to preserve existing affordable housing in the Elyria Swansea neighborhood. The City's funds will be leveraged with EOC's funds to serve 288 homes in the area.

In addition, DEDO also created the Mortgage Assistance Program to aid with mortgage payments for those affected by short-term job-related emergency such as the federal shutdown. There is also a \$2,000,000 item in the budget for PSH programs. An RFP will be released soon.

### **Review of 2018 and 2019 Budget**

Several questions arose from the review of the 2018 and 2019 Budgets. The committee questioned how contracts are placed into the spending priorities. Specifically, why HOWPA programs are in the homeless spending bucket and why the Colburn Hotel project is in 31-80% bucket. We will review the parameters for allocating the commitments to the spending priorities. Other questions included how can we repurpose the restricted RAHLF funds for a homeless project for services. How do we spend the underutilized special revenue/ grant funds such as NSP and Skyline? Funds that have federal requirement that must be met and are not suitable for all projects. The committee suggested creating an RFP to solicit proposals for these funds. There were also concerns about ensuing transparency in the budget document. Specifically, the Office of HOPE budget that is now under DEDO. The budget contains 5FTE and administrative costs. There are no services in this funding source. There was discussion of renaming the budget.

### **Information for the Retreat**

The committee wanted to ensure that information presented at the Retreat was clearly labeled and compared year over year information that clearly identifies where we are with the spending priorities. The 2019 data should reflect where we are with commitments, uncommitted funds and whether we are on track with the 2019 plan. The information should inform and allow the HAC to have strategic discussions to give direction to the Housing Team for the 2020 program year.

### **Information requested included:**

A detailed Production Pipeline

Ratio of funds for production vs programs

Updates on where we are with the Land Trust and any other outstanding issues we have discussed in the last 6 months.

Update on the Linkage Fee and Recreational Marijuana Tax revenues

Want to focus the discussion on strategic questions such as:

- How do we fund beyond tax credits projects?
- Housing Services- What is missing?
- Where should the City focus its spending or what things should the City not do in 2020?  
Production vs. Services- Where should we focus our dollars in 2020 to line up the spending with the spending priorities?
- What needs to happen to utilize more of the available funds? Do we need to repurpose the RAHLF?  
Do we need to RFP HMI? Skyline?
- How should the City focus on leveraged capital in general (i.e. Opportunity Zones, recapitalizing the TOD Fund)?
- How are redevelopment agreements negotiated? How are they leveraged to meet the goals of our plan?

The committee agreed to send their question to Britta by the end of next week. Staff agreed to send out a draft of the Agenda for comment by the Committee prior to the retreat.

**Housing Advisory Committee  
Production Subcommittee Meeting  
April 4, 2019**

**HAC Attendees:**

---

Jenny Santos, Chair	Carl Patten
Ismael Guerrero	Tracy Huggins
Eric Hiraga	Jennifer Cloud
Heather Lafferty	Chuck Perry

**City Staff:**

---

Doug Selbee  
Jennifer Siegel  
Megan Yonke

**Questions for Discussion**

**I. What role, if any, should Real Estate continue to play in purchase land for affordable housing?  
Where should this land be based and what types of housing should be targeted to be built?**

- Doug Selbee provided overview on real estate review of available land for purchase for affordable housing and discussed constraints with availability of PAB. City is working on prioritizing projects requesting PAB:
  1. Projects where city is providing land
  2. DHA projects in D3 agreement (if PAB is needed, project not going for 9%)
  3. Projects where we are working with a partner even if we did not initially acquire the land (such as 48th and Race- City provided funding for the land and is working in the GES community)
  4. Anyone else with straight 4% LIHTC
- City is not meeting numbers for under 30% and for sale housing
- Is the City Prioritizing 4% deals are going for state credits? Not necessarily.
- There is some developer experience with straight 4% aren't financially feasible.
  - City has 4% deals in pipeline, they can work but require other funding.
- Update on 7 city parcels (4 still open, 3 are East Colfax):
  - Announcement selected partners for 7900 E Colfax, 8315& Valentia is coming.
  - Washington Parcel: City will have possession in next 6 months, community engagement will begin as soon as parcels are acquired. Will align site planning with small area plans (Globeville plan). Engagement plan will include design charrette for those sites
  - Colfax parcels were also driven by BRT project. Real Estate and DEDO work together but DEDO has the funds to purchase so we describe what we want. We may tell real estate where to look or opportunities often come up and they will contact us. Also seeking certain sizes of parcels
- How many of properties were strategic acquisitions?
  - The East Colfax parcels were strategic acquisitions. Also relocated trailer parks on East Colfax.
  - DEDO identified 5 neighborhoods for strategic investment (for example, Loretto Heights). But with DHA D3, projects must be spread out around the city.

- Real Estate is looking at more sites. DEDO is looking to partner with faith groups that own property, DPS, other schools, etc. Real Estate will help.
- The City has more control with making decisions about the use when we have ownership; our partnership with DHA is great demonstration.
- The City can get exactly what we want when we own a parcel. We have control.
- How do we create partnerships with neighborhoods, developers, and work better with council members?
  - Must move more quickly, D3 will be a model.
  - Better coordination in identifying and assembling land. We have to take care when purchasing land, negotiations may not be public.
  - If there is an opportunity to purchase land, we will evaluate cost based on location and how it fits into initiatives.
  - City must have better awareness of opportunities so partnerships can be identified.
- Also, where does someone go at the City when there is a great opportunity?
  - Housing Division first.
- Morrison Rd is triangle parcel, should it be parks or affordable housing?
  - Not large enough, can likely only remain a park,
- What about other sites on the list ( sites zoned industrial/light industrial, airport sites, DPS, other quasi-governmental owned sites). 139 parcels eliminated because unbuildable, what does that mean?
  - Some were detention ponds, weird shapes, utility easement etc.
  - RE was going to do a 2nd look.
  - In peer organizations in other cities, govt owned land is creating affordable opportunities.
  - The City will do a 2nd tier review of additional parcels (1st list was easy 'low hanging fruit').
- City must be aggressive with acquiring land, must be more intentional.
  - We could evaluate the 'preservation partners model', maybe a land acquisition partners model (RFQ for partners to acquire land). ?
- Allow other uses on land while waiting for development?
  - Yes, it's been done before.
  - Parks are safe spaces for people, esp. homeless
  - Indiedwell units?
- Can we still use affordable housing fund for other parcels? How many sites can we purchase with affordable housing funds?
  - Production team is evaluating financing tools.
- Can we look at some of the smaller lots for homeownership opportunities?
  - Housing Division does not have the capacity but we'll check with real estate to see if they have a map of those parcels.

## **II. Given the role of DEDO on the D3 agreement Advisory Council, how should DEDO seek to influence property acquisition for PSH projects?**

- DHA will take a lead in land acquisition, City will provide subsidy.
- DHA will identify 12 sites in 11 districts and will be working with developers on site selection.
- DHA is limited on how much D3 investment in each council district so city can come in and acquire land that DHA cannot.

- Partner may be bring owned sites or DHA will be looking for sites.
- Received 14 respondents, 1st cohort will be announced end of month.
- Difficult to do PSH without lots of subsidy; 30-80 AMI much easier to develop. City must figure out to get synergies and connect potential partners, such as nonprofit such as CCH and for profit like Gorman.
- Private developers may not be able to compete in PSH because there are economies of scale in larger PSH development. Most have not quite figured out how to do the development.
- PSH requires developer and strong service providers. Without rental subsidy, it won't work.
- Can we assemble land around I-70 project? Don't just leave to DHA, must be a holistic approach.

### **III. Next meeting: budget retreat,**

- Includes review of pipeline.
- Review rental or homeownership?
  - Based on 5 year plan, 20-25% PSH, 20-25% 30% AMI or lower, 20-25% homeownership (programs and development). Rest of funds for remaining AMIs.
  - More detail in budget meeting: how much to target to programs vs development.
  - Challenges in homeownership (reliant on mortgage market, does not get additional subsidies)