

HOUSING ADVISORY COMMITTEE MEETING
Thursday, February 7, 2019 | 2:00 p.m. – 4:00 p.m.
Webb Building (201 W Colfax) Room 1B6

Committee Members Present

Kevin Marchman, Eric Hiraga, Heather Lafferty, Carl Patten, Alison George, Britta Fisher, Councilwoman Robin Kniech, Brendan Hanlon, Jill Jennings Golich for Sarah Showalter, Heather Lafferty, John Parvensky, Jenny Rodgers, Jenny Santos, and Ismael Guerro.

Committee Members Not Present: Cris White, Monique Johnson, Veronica Barela, Randy Kilbourn, Chris Conner, Bill Pruter, Tracy Huggins, Kenneth Ho, Chuck Perry.

Roll call

Approval of January meeting minutes

Mayor Michael Hancock

The Mayor thanked the HAC for their leadership furthering affordable housing in Denver. The Mayor noted some recent accomplishments:

- Denver used the Tenant-Based Rental Assistance (TRUA) model to develop a Temporary Mortgage Assistance Program to assist Federal employees who needed help during Federal shutdown.
- Denver will take advantage of the opportunity to use bonds in partnership with DHA to surge housing production.

The Mayor noted that he hears inquiries every day from people who want to produce affordable housing.

The Mayor acknowledged Kevin Marchman, saying that when establishing the HAC, he turned to Kevin for his leadership and expertise. The Mayor thanked Mr. Marchman for his leadership serving as the inaugural chair of the HAC.

When asked what he is excited about in 2019 for housing opportunities, the Mayor noted the new 44th/Pearl location for the Beloved Community Village tiny home community, working with DHA to expand dispersed housing opportunities, and addressing growing challenges of middle-income families. The Mayor is excited about working with corporate partners to explore creative opportunities for affordable housing development.

DHA/OED IGA Update – Ismael Guerrero

- *See PowerPoint for additional information*
- Affordable Housing Fund, .442 Mills, projecting approximately \$7.5 Million
- Whatever is raised, ½ will go to accelerate DHA production and preservation

- Other ½, goes to fund housing for those at 30% or below AMI including housing for persons formerly experiencing homelessness
- June 2018, RFP for Bond Placement Agent was solicited
- Goal is to work through the summer; in September 2019 Bond Issuance and Proceeds will be available
- At high level, this is a unit delivery contract to reach 1,294 units at Sun Valley Homes, Westridge Homes, Shoshone Development and scattered sites.
- DHA IGA – PSH/Land Acquisition
 - Goal is to create a real pipeline for land acquisition and PSH projects
 - No more than 15% in any one City Council district
 - At least 50% of the units will be restricted to PSH or Special Needs
 - DHA will leverage at least 300 PBVs to support PSH with goal of securing additional 300 PBVs from other agencies
 - Working towards goal of September 2019 for PSH bond issuance
- 4% LIHTC Non-Competitive PSH: Three potential projects for Joint Underwriting with CDOH and OED for a total of 72 units
- 9% LIHTC Projects: 48 PSH units through one potential project

City-owned Land Update – Brendan Hanlon

- Jeff Steinberg, Director of Real Estate
 - 1,720 City-owned vacant parcels identified
 - Eliminated heavy industrial zoning, those not owned outright by CCD, those less than 3,000 sq. ft., those held for current and potential future city needs and projects, and irregular parcels
 - 2 parcels remain for affordable housing consideration

IHO Rules and Regulations Changes – Britta Fisher

- Last year, audit found need to have a housing cost ratio
- Denver includes HOA dues in their ratio
- Had a public hearing to discuss changing the housing cost ratio from 30% to 35% ratio
- Changing rule to 35%, researching an exception policy
- Looking for volunteers to help with review

Directors Updates - Britta Fisher

- Temporary Mortgage Assistance Program – there have been 6,800 contacts regarding this program
- To date: 68 applications submitted, 30 have approved
- 4400 Lincoln property is going out to RFQ on February 20th
- Affordable Housing Forum is April 19th

Adjourn to Break Into Subcommittees

**HOUSING ADVISORY COMMITTEE MEETING
POLICY AND PROGRAMS SUBCOMMITTEE
Thursday, February 7, 2019 | 3:00 p.m. – 4:00 p.m.
Webb Building (201 W Colfax) Room 1B6**

Subcommittee Members Present

Katie Bonamasso, CSH; Jill Jennings Golich; Cathy Alderman, Alison George, and Polly Kyle for Councilwoman Robin Kniech

Overview of 2019 Housing Programs, NOFA Process – Melissa Thate

- Currently, in contracting process, should have update for the HAC at next meeting

Proposed Focus of Housing Program Evaluation in 2019 – Katherine O'Connor

- Ms. O'Connor presented an overview of proposed evaluation areas and questions
- Discussion:
 - Should we include partner-funded programs, too?
 - What data does OED currently have to be able to evaluate to answer these evaluation questions?
 - Is the evaluation purpose to determine how to direct current funds or is it to change direction of affordable housing funds?
 - Look at programs and categorize them, develop primary goals of that program, see if the programs are doing what was intended and identify what data we have that could help with this analysis.
 - Insure that when putting out NOFAs requirements are included for outcome tracking.
 - Look at existing analysis such as of homeownership programs and use that evaluation model.
 - Use existing research on these programs for the “traditional” programs, instead focus evaluation on new or different programs.
 - Are we meeting HAC priorities – are we missing a goal, for example, in home ownership.
 - How do we help nonprofit agencies who aren't familiar with NOFA process apply for awards?
 - What are the awardees tracking that we are not getting that would be helpful for OED and wouldn't be burdensome on them?
 - What programs are targeting particular areas that we aren't currently looking at?
 - What are we considering success? ROI?
 - Does the program accomplish what it was sent out to do? Example: Was eviction prevented?
 - Analyze what we have and figure out what to collect going forward

The subcommittee asked to be updated regarding what direction the program evaluation takes

- March agenda: discuss Preference Policy at high level
- April agenda for subcommittee: advise staff regarding Preference Policy finalization and supportive services funding for PSH

HAC Finance Subcommittee Meeting
February 7th, 2019
2:00 pm – 4:00 pm
Webb Building: 1B6

Committee Member Attendees: Kevin Marchman, Brendan Hanlon (Margaret Danuser), John Parvensky, Councilwoman Robin Kniech, Jennie Rodgers,

AD Hoc Members: Tammi Halloway

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:

- ✚ Introduction of New Members
- ✚ Election of new Subcommittee Chair
- ✚ Discuss Format for May Budget Retreat ^h
- ✚ Plan April subcommittee focus from 2019 Action Plan

Meeting Notes

Introduction of New Members

The committee welcomed new member Jennie Rodgers to the committee and ad hoc commitment member Tammi Halloway. Jennie has over 30 years' experience in the arena of affordable housing policy, finance, and development. She is currently the Vice President, Denver Market Leader with Enterprise Community Partners. Tammi Halloway has a legal background and has worked with the Stapleton Development Corporation in various capacities for the last 22 years. Welcome to you our new members!

Jackson Brockway was also introduced, he is the Budget Analyst for the Office of Economic Development.

Election of Subcommittee Chair

Kevin Marchman was elected as the new subcommittee chair.

Discuss Format for the May Budget Retreat

Challenge: We don't want the budget retreat this year to be staff driven.

Question: How does the committee want the day to go? What should be the focus? What are the outcomes that we want to achieve?

Discussion:

The focus should be based on thoughtful questions posed to the Housing Advisory Committee. Since the budget will be year 3 of a 5- year plan we need to evaluate where we are and what strategies need to be considered to reach the goals. In addition, A focus should be on how to leverage the dollars for development. Should we increase our subsidy amount for projects that will not have LIHTC investments? How would that impact the budget? What AMI's should the Dedicated Fund focus on to compliment what DHA is doing with their funds. Should we focus on Land banking to ensure affordability in gentrifying areas? What are the trade-offs between spending a dollar on construction vs programs? Councilwoman Robin Kniech suggested that we use a tool developed by the Budget Office that would allow us to see in real time budget and outcome numbers based on different scenarios.

The Committee agreed to review prior year evaluations of the last budget retreat. Members also gave suggestion on the retreat location and made a request to have the information go out ahead of the retreat date so that members can review and be prepared for the discussion. Chiquita will send out the slide presentation from the last budget retreat. The committee agreed to have an additional meeting between now and the retreat in May.

Plan April subcommittee focus from 2019 Action Plan

The committee reviewed the 2019 Action plan and decided that most of the activities left were primarily staff focused. It was decided that the focus would be on the budget retreat and monitoring the current budget and outcomes. For the April meeting they would like to discuss the Linkage fee projections and discuss the market analysis of the fee in 2020.

HAC Development Subcommittee
Meeting Notes February 7, 2018

Production Subcommittee Attendees

Jenny Santos	Beth Truby
Heather Lafferty	Jennifer Cloud
Carl Patten	Eric Hiraga
Jenny Santos	Ismael Guerrero

OED Housing Staff

Doug Selbee	Haley Jordahl
Megan Yonke	Jennifer Siegel

Subcommittee meeting opened by Jenny Santos asking members and staff to introduce themselves and comment on why they are here.

2018 Production Update

- Full Production team in attendance. Successes included multiple loans closed, implemented Preservation rules and regulations, initiated RFP process for East Colfax properties, coordinated PABs with other local partners.
- For 2019, CHFA 4%+ State applications have been submitted, with 6 Denver projects. 5 of the 6 are requesting OED funding (the 6th project, DHA, is not requesting OED funds).
- If none of the 5 projects are awarded state tax credits and came to OED to finance the gap created by lack of equity (projects move forward with only 4% tax credits), the need would be an additional \$21 million to make up for the loss in equity, on top of about \$12 million that was requested in the applications.
- Private Activity Bonds (PABs) beginning to get constrained, more developers using 4% LIHTCs with and without state credits.
- OED may increase financial support for straight 4% tax credit projects (projects that don't get state tax credits or 9% tax credits).

RFP Overview

Get input from committee on certain aspects of the RFP process-current process is new and included coordination between OED, state, etc. Solicitations are active so only generalities overview can be discussed. Answer 4 questions:

1. How can solicitation process be made more inclusive to bring new and innovative ideas to the table?
2. How should we structure housing priorities for sites in our pipelines?
3. How can we improve community engagement on any given site?
4. On what points should the City increase its expectations of respondents (such as requiring use of OneHome on PSH, sustainability, etc)?

City did lots of work up front and OED approached site as a developer not as a financing fund (completed environmental reviews, zoning changes). For example, zoning change at 8315 allowed increase in height to 5 stories. This was done to provide a higher quality product. Other requirements:

- Provide an alternative to the motels along Colfax.

- At 8315, 50% of units required to be less than 80% AMI, wanted to provide opportunity for mixed income.
- 8315 site was purchased with CDBG, and CPD was already deep into community engagement, lots of local data already available. Community had specific requests for the site including community serving retail.
- Community around 7900 had concerns about PSH.

Scoring Requirements:

8315	7900
Experience: 20%	Experience: 20%
Meets City Vision and Goals: 30%	Meets City Vision and Goals: 25%
Financially Feasible: 30%	Community Engagement Process: 15%
Realistic Timeline: 15%	Financially Feasible: 20%
Innovation: 5%	Realistic Timeline: 15%
	Innovation: 5%

RFP Process Questions/Comments

- Were there enough proposals?
-Fewer than expected but good strong options
- How many proposals incorporated mixed use requirements or just housing?
-8315 proposals were less specific about community serving space,
- How did we communicate info back to neighborhood/community about process?
-We rely on CPD's engagement, OED could do a better job being more involved. Council person led community meetings, also relied on RNOs.
- How did scoring align with summary goals? How did scoring weighting align with RFP goals?
-We wanted PSH at 7900 and mixed income at 8315. Because CDBG, expectation of community serving commercial element.
- Scoring does appear that 8315 not relate to RFP goals; make sure points are associated with RFP goals.
- Does innovation align with financial feasibility, for example, allow for greater up-front cost for lower cost of long term operations?
-Leave some RFP requirements open ended to allow for innovation.

Discussion about Community Engagement prior to RFP issuance:

Housing staff attended 3 Registered Neighborhood Organization (RNO) meetings in the community. Lots of discussion, 7900 neighbors asked for more detail about PSH and City staff addressed concerns about PSH. Media coverage occurred as well. Community Engagement Issues:

- More communication is needed, social media and other forms. While notice of rezonings are posted at sites to be developed, provide more info at site about what is occurring.
- RNOs typically include most engaged community members but often don't reflective of the community.

Discussion about 49th and Washington site (and future locations)

What should be priorities for housing?

- 2.7 acres, \$52/sq ft, total cost \$6MM, across from Project Angel Heart.

- Area includes Argo Park, National Western Center, Platte Farm Open Space Redevelopment (Groundworks Denver), light rail access.
- RPF out by August so should be time for community outreach. Be aware of broader strategy (for example, strategy and considerations around Natl Western).
- Looking for housing opportunities, be strategic.
- Small area plan in progress for Globeville, includes innovative method of outreach; however, Globeville community is often not asked about what they want.
- More homeownership needed in community but multifamily may be best at that location.
- Have design charrettes with neighbors/architects, set better expectations with community before selecting developer.
- Evaluate potential health impacts (health impact assessment) at site (Research Detroit & Seattle examples).
- Overall City investment in Washington St corridor means street will get busier, but Adams county side will continue to be industrial, (Trammel Crow owns site on other side).
- Large site, set expectations for density, AMIs; Get market study. Respondents will like strong criteria.