Anti-Displacement Policy Network Update

Denver City Council, Housing and Homelessness Working Group
Melissa Thate, Housing Policy Officer
August 23, 2018
Anti-Displacement Policy Network Cities

- Austin, Boston, Buffalo, Denver, Nashville, Philadelphia, Portland, Santa Fe, San Jose, Twin Cities

- January – Application submitted
- March – Denver selected
- April – Attended PolicyLink’s Equity Summit
Denver’s ADPN Team
Core team:
• Councilman Albus Brooks
• Councilwoman Robin Kniech
• Nola Miguel, GES Coalition
• Jenny Santos, Servicios de La Raza
• Tracy Winchester, Five Points Business District
• Sarah Showalter, CPD
• Melissa Thate, OED

Comprised of nearly fifty members from a range of organizations
Anti-Displacement Policy Network (ADPN)

Working to...

• Provide peer learning on best practices and build relationships
• Create comprehensive local policy plans or agendas
• Increase capacity to collect and use data
• Build public support and awareness to advance strategies
• Strengthen relationships between city and community groups
• Address state and national context
Timeline: April 2018-April 2019
Access, Align, Operationalize, and Sustain
Where we are today – ADPN Inventory Spreadsheet (Assess)

• **Tenant Protections/ Rights**
  - Rent stabilization/control, Just cause eviction, SOI non-discrimination, Right to legal counsel, Rent and utility assistance, etc.

• **Preservation**
  - Property tax assistance, Home repair assistance, Preservation of unsubsidized affordable housing, etc.

• **Equitable Development**
  - Equitable development scorecard, preference policy, ADUs, zoning incentives and density bonuses, etc.

• **Community Ownership/Control of Land**
  - Community Land Trusts, Public land for affordable housing, increased pathways to affordable homeownership

• **Local Business, cultural, and religious institution stabilization**
  - Small business supports, Ownership of commercial space, Rent stabilization

• **Institutionalizing anti-displacement in plans and systems**
  - Anti-displacement strategies in housing plans, data collection and reporting, etc.
Alignment of top policy priorities – What policies will we focus over the next 6 months, and who is the lead?

• **Tenant Protections/Rights** - Application fees, background checks, rental inspections, standardized leases (Rental registry); Big wins - SOI non-discrimination and legal services

• **Preservation** – Creation of preservation fund(s) for small sites, single family homes, and unsubsidized affordable housing

• **Equitable Development** – Creation of an equitable development scorecard (investment impact study); Preference policy research; Zoning incentives
Alignment of top policy priorities – What policies will we focus over the next 6 months, and who is the lead?

• **Community Ownership/Control of Land** – Community banking; Joint partnerships for community control
• **Local Business, cultural, and religious institution stabilization** – Rent stabilization; Right of first refusal
• **Institutionalizing anti-displacement in plans and systems** – Data collection and reporting; Relationship building; Coordination with NEST
Timeline

- September meeting: Complete tasks identified in August; identify measurable goals and outcomes
- October 2018 – April 2019 – Progress policy priorities (operationalize)
- November 13th-14th – Fall convening with all ADPN cities
- Spring 2019 – Final report and interviews
- 2019 and beyond… Continue the work (stabilize)
QUESTIONS?
Five-year plan outlines investments priorities along the income continuum:

- **20-25% of housing resources** to serve residents experiencing homelessness
- **20-25% of housing resources** to serve residents earning below 30% AMI in rental housing
- **20-30% of housing resources** to serve residents earning 31% to 80% AMI in rental housing
- **20-30% of housing resources** to serve residents in homeownership housing

Investments at each income level will support the plan’s key goals:

- 🏡 Create affordable housing in vulnerable areas AND in areas of opportunity
- 🏠 Preserve affordability and housing quality
- 🛡️ Promote equitable and accessible housing options
- 🚪 Stabilize residents at risk of displacement
Overview of Framework

1. Increase RMJ special tax rate by 2%, dedicate proceeds to the AHF ($8M in 2019)

2. Increase annual “PAYGO” General Fund transfer to AHF by $7M starting in 2019

Local funding for AHF would = $30M/year

3. Contract with the Denver Housing Authority to bond current property tax mill, generating approximately $105M:
   • 50% to accelerate DHA unit creation/preservation
   • 50% to fund land/property acquisition, create a longer-term pipeline serving most vulnerable residents

### Annual Affordable Housing Fund’s Revenues (Local)

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing: Linkage Fee</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Existing: General Fund/DHS Transfer</td>
<td>$6,800,000</td>
</tr>
<tr>
<td>New Starting in 2019: 2% RMJ</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>New Starting in 2019: Annual General Fund/DHS Transfer</td>
<td>$7,000,000</td>
</tr>
</tbody>
</table>

**Total** $30,800,000

### Property Tax Pass Through to DHA for Bonding

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing 0.442 mills for 20 years</td>
<td>$7,500,000</td>
</tr>
<tr>
<td>Potential bond proceeds over 5 years</td>
<td>$105,000,000</td>
</tr>
</tbody>
</table>
2019 Planned: OED Housing Investments

Total Budget: $53,280,589

Variance: Administration & DHA IGA not included

Budget by Funding Source
- Property Tax: $5,431,624 (10%)
- Linkage Fee: $27,311,784 (51%)
- GF/DHS Transfer: $4,310,047 (8%)
- RMJ Tax: $8,727,134 (17%)
- Federal Funds: $7,500,000 (14%)
- Non Federal Funds: $13,800,000 (26%)
- 15,115,662 (28%)

Budget by Investment Type
- Administration: $12,379,206 (31%)
- Development: $6,799,625 (17%)
- Preservation: $13,840,702 (34%)
- Programs: $7,329,431 (18%)

Spending Priorities
- Homeless: 7,329,431 (18%)
- >30: 12,379,206 (31%)
- 31-80: 13,840,702 (34%)
- Homeowner: 6,799,625 (17%)

Total budget: $40,348,965

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Projected 2019 Outcomes from Housing Investments

CREATE AFFORDABILITY

2019 Anticipated (OED investments): 765 units
2019 Anticipated (DHA partnership): 200 units
TOTAL: 965 units

PRESERVE AFFORDABILITY

2019 Anticipated (OED investments): 125 units

Funding framework would provide surge in development pipeline:
- Add ~$7M to OED development/preservation investments above 2018 levels
- Support DHA development/preservation of 200 units in 2019
- Support DHA acquisition of 1-2 parcels of land in 2019 for future development

Note, OED made updates to housing term sheets for 2018/2019 to increase funding levels across all multi-family projects in response to wider funding gaps, including bigger increase for projects serving vulnerable populations.
Projected 2019 Outcomes from Housing Investments

Funding framework would also increase programmatic investments:
- Add ~$1M above 2018 levels
- Focus on programs that stabilize residents at risk of displacement (ex: TRUA)

Note, OED will be conducting a competitive program application in fall for 2019 program investments from both federal and local funds.
Housing and Affordability Investments: Proposed 2019

- **Recommendation:** Analyze existing housing resources for performance, structure and sustainability.
  - Key Action: Analyze first three years of implementation of the housing linkage fee and explore whether new feasibility analysis should be conducted.

- **(Continued from 2018) Recommendation:** Coordinate housing investments with the City’s other affordability resources.
  - Key Action: Create shared process for evaluating proposed supportive housing and service funding across city (OED and DHS) and partner agencies.

- **Recommendation:** Pursue regional collaboration with partners across the Denver Metro Area to promote inclusive communities.
  - Key Action: Collaborate with regional partners to finalize and begin implementation of Analysis of Impediments recommendations.
Legislative and Regulatory Priorities: Proposed 2019

- **Recommendation**: Develop more consistent standards for affordable housing in major redevelopment areas.
  - Key Action: Develop clear guidelines across city and partner agencies for affordable housing in redevelopment areas and process by which plans are executed.

- **(Continued from 2018)** **Recommendation**: Stabilize households through tax relief programs.
  - Key Action: Promote broader participation among eligible households in existing property tax relief programs, explore additional forms of tax relief for low- and moderate-income residents.

- **(Continued from 2018)** **Recommendation**: Explore a framework and methodology for determining a preference in new housing for residents at risk of displacement.
  - Key Action: Explore framework and methodologies to implement preference policy based on economic displacement in Denver.
Strategic Use of Land to Support Affordable Housing: Proposed 2019

• (Continued from 2018) **Recommendation:** Leverage publicly owned land for affordable housing development.
  - **Key Action:** Develop and evaluate an inventory of land owned by public and quasi-public partners that can be utilized for affordable housing development.

• **Recommendation:** Facilitate acquisition of land direction and through partners for housing development.
  - **Key Actions:** Leverage partnership with Denver Housing Authority to strategically acquire land and properties to primarily serve residents experiencing homelessness and those earning 0-30% AMI.
Housing for Residents Experiencing Homelessness: Proposed 2019

• **Recommendation: Expand investments in housing options for residents experiencing homelessness and integrate providers across the housing continuum.**
  - Key Action: Implement and utilize the Coordinated Entry System to help connect residents experiencing homelessness to appropriate housing resources.

• **Recommendation: Build housing capacity through policy and funding alignment.**
  - Key Actions: Coordinate and leverage investments into land acquisition, gap financing, supportive services across OED, DHS, DHA and state to serve residents experiencing homelessness.
Affordable and Workforce Rental Housing: Proposed 2019

• *(Continued from 2018) Recommendation: Preserve existing income-restricted affordable rental housing in vulnerable neighborhoods and near transit.*
  - Key Action: Develop bridge financing tool to strategically acquire properties at risk of converting to market rate.

• **Recommendation: Preserve affordability of unsubsidized affordable rental properties.**
  - Key Action: Utilize experts in Denver’s pool of preservation partners to explore creative tools to preserve unrestricted properties.

• *(Continued from 2018) Recommendation: Promote programs that help households stay in their existing rental housing through comprehensive eviction assistance.*
  - Key Actions: Support and streamline comprehensive eviction services including Temporary Rental and Utility Assistance programs, mediation services and legal representation for low and moderate-income residents.
Attainable Homeownership: Proposed 2019

- (Continued from 2018) Recommendation: Promote programs that help households maintain their existing homes.
  - Key Action: Continue to target assistance to residents in vulnerable neighborhoods. Explore creative financing/refinancing opportunities that support existing homeowners.

- (Continued from 2018) Recommendation: Preserve affordability of existing income restricted homeownership stock.
  - Key Actions: Identify agencies from pool of preservation partners to help maintain affordability when properties are at risk of losing restrictions, conduct proactive outreach to homeowners to facilitate acquisition.

- Recommendation: Preserve affordability of existing unsubsidized affordable for-sale housing.
  - Key Actions: Explore creative tools for acquisition of existing affordable homes, including shared appreciation models.
Draft 2019 Action Plan, Public Comment Period OPEN

• Denvergov.org/oed
  – Latest News
  – Draft 2019 Housing Action Plan
  – Online Survey
  – Closes September 14th

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Online survey seeks feedback on draft 2019 Action Plan for Affordable Housing

The Denver Office of Economic Development (OED) announces the release of a draft 2019 annual housing action plan for public comment. OED is soliciting feedback on the city’s draft 2019 Action Plan for Affordable Housing. The action plan outlines specific work informed by Housing an Inclusive Denver, the city’s five-year comprehensive housing plan.

The 2019 Action Plan is available for comment through September 14, 2018 through the following online survey.
Draft 2019 Action Plan, Public Comment Period OPEN

- OED Affordable Housing Newsletter

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**2019 ACTION PLAN: OPEN FOR COMMENT**

We invite your review and input to the city’s 2019 Action Plan for Affordable Housing. Each year, an Action Plan outlines specific work informed by Housing an Inclusive Denver, the city's five-year comprehensive housing plan. The 2019 Action Plan is available for comment through September 14. Please use this survey link for your comments.
Proposed Timeline

• **August 15th**: Released for public comment
• **September 14**: Public comment period ends
• **September 19th and 20th**: Review feedback with Housing Advisory Subcommittees and discuss proposed changes, if any – Align 2019 Key Actions with Appropriate Subcommittees
• **October/November**: Finalize in coordination with budget approval process
• **December**: Begin Implementation
QUESTIONS?