



Housing and Community Development Program Funding Allocations

Affordable Housing Fund
Community Housing Assistance Program
Community Development Block Grant
HOME Investment Partnership Program

This report details the affordable housing and community development funding allocations totaling approximately \$8.8 million in local Affordable Housing Funds, Community Housing Assistance Program funds, federal HOME Investment Partnership Program, and Community Development Block Grant funds. Funding allocations were reviewed and recommended by the city manager-appointed Technical Review Group (TRG) and Community Development Advisory Committee (CDAC) and approved by the city manager. These awards represent significant City of Boulder investments to achieve the city's affordable housing goal and support agencies serving low-income residents of Boulder.

BACKGROUND

The Division of Housing works to provide housing opportunities that promote an economically diverse and environmentally sustainable community. Through collaboration with and provision of funds to nonprofit organizations and housing developers, for-profit developers, and other city departments, the city is able to facilitate affordable housing opportunities and support the capital needs of service providers.

Funds available include local Affordable Housing Funds (AHF), Community Housing Assistance Program (CHAP) funds, federal Community Development Block Grant (CDBG) funds and HOME Investment Partnership Program (HOME) funds.

- AHF and CHAP funds are generated locally and were created to enable the city to further its commitment and support for the creation, preservation, and retention of affordable housing in Boulder.
- As the lead agency of the Boulder/Broomfield Regional HOME Consortium, the City of Boulder receives and administers HOME funds from the U.S. Department of Housing and Urban Development (HUD) which are exclusively used to create affordable housing for low-income households.
- The city's annual CDBG grant allows it to pursue CDBG's objective to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities principally for low and moderate income persons.

Funding allocations are guided by local priorities identified in several documents including: the 2010-2014 Housing and Community Development Consolidated Plan; the Housing Implementation and Funding Task Force Report accepted by City Council in 2000; the Boulder County 10-Year Plan to Address Homelessness approved in 2010; and the 2005-2015 Housing and Human Services Master Plan.

Funds are managed by the Division of Housing and are allocated through two annual fund rounds: the Affordable Housing Fund Round and the Community Development Fund Round. The fund rounds are competitive processes comprised of the following actions:

- Determination of funding availability for both affordable housing and community development activities;
- Release of notification of funding availability followed by receipt of submitted applications;
- Analysis of applications by staff to determine eligibility. This process includes working with applicants to clarify questions or concerns regarding the applications and referral of applications with development potential to Community Planning and Sustainability staff for comment;
- Affordable housing applications are reviewed by the Technical Review Group (TRG) and community development funding requests are reviewed by the Community Development Advisory Committee (CDAC). These two committees also interview applicants and participate in deliberations leading to funding recommendations ;
- Preliminary recommendations are shared with applicants who are also provided the opportunity to appeal the recommendations; and
- Recommendations are submitted to the city manager for review and approval.

The 2015 fund rounds were launched this summer with the affordable housing deliberations occurring in September and the community development deliberations occurring in October. On Nov. 14, 2014, the TRG and CDAC presented their recommendations to the city manager and all recommendations were approved.

In addition to the annual fund rounds, the division receives and accepts time-sensitive opportunity funding requests throughout the year. Requests are vetted using the same process as outlined above, including committee review and recommendation to the city manager for approval. Some of these funding requests are opportunities to support new projects. Others result from changed circumstances, such as increased construction costs of projects with previous awards when additional city funding is necessary to achieve the desired outcomes.

ANALYSIS

As a result of the competitive affordable housing and community development fund rounds and the opportunity funding requests, the following funding awards continue the city’s progress toward its affordable housing goal and address the capital improvement needs of agencies serving low-income households in Boulder.

2015 City of Boulder Affordable Housing Funding Allocations

The 2015 Affordable Housing Fund Round applications included a mix of projects proposing to construct new units, preserve existing affordable units and provide assistance in the form of down payment and housing counseling. The 2015 Affordable Housing funding allocations include:

| Applicant Project | Activity | Funding Amount |
|---|--------------------------|---------------------------|
| Boulder County Housing Authority (BCHA) <i>Housing and Community Education</i> | Homeownership Counseling | \$60,000 |
| Boulder Housing Partners <i>Orchard House</i> | Rehabilitation | \$200,000 (maximum) |
| Boulder Housing Partners <i>Twin Lakes</i> | Acquisition | \$750,000 |
| City of Boulder <i>First Home</i> | Down Payment Assistance | \$200,000 |
| Flatirons Habitat for Humanity <i>Kings Ridge</i> | New Construction | \$200,000 |
| Flatirons Habitat for Humanity <i>Community Housing Development Org</i> | Operating Support (HOME) | \$50,000 |
| Imagine! | Rehabilitation | \$50,000 |

| | | |
|--|------------------|------------------------|
| <i>Foothills Group Home</i> | | |
| Thistle Community Housing <i>Laguna Apartments</i> | Rehabilitation | \$765,000 (maximum) |
| City of Boulder <i>On Site Rental Set Aside (new program)</i> | New Construction | \$500,000 |
| TOTAL | | \$2,775,000 |

In 2015, the city will set aside \$500,000 to support on-site rental agreements. The On-site rental agreements will provide market-rate developers with a viable pathway to produce on-site, permanently affordable units without the participation of a housing authority or similar agency. The developer can choose whether or not to enter into a voluntary agreement with the city, which will provide funding and will result in a community benefit in excess of the inclusionary housing requirement by creating more units and deeper affordability.

2015 HOME Consortium Funding Allocation

In 2015, the Boulder/Broomfield Regional HOME Consortium intends to initiate a new funding distribution method by rotating HOME funds amongst the participating governments on an annual basis, with each participating government receiving the entire HOME project allocation in a given year (e.g. Year 1/City of Longmont, Year 2/Boulder County, Years 3 and 4/ City of Boulder). Rather than participating in the annual fund rotation, Broomfield is electing to maintain its annual allocation to support its Tenant Based Rental Assistance (TBRA) program. By distributing the funds using an annual rotation structure, the consortium members will pursue the following goals:

- Concentrate the HOME resource to simplify and expedite individual affordable housing projects;
- Reduce the administrative burden of managing multiple HOME projects across the region; and
- Implement the Ten-Year Plan to Address Homelessness by supporting a regional approach to provide transitional and permanent housing to individuals experiencing homelessness.

In 2015 HOME project funds will support the following projects:

| Project | Activity | Funding Amount * |
|-------------------------------|--|-------------------------|
| City of Longmont | Rehabilitation and Refinancing of the Suites | \$575,000 |
| City and County of Broomfield | TBRA | \$57,000 |
| TOTAL | | \$632,000 |

**The funding allocations are based on estimates, with the actual allocation amounts to be determined mid-2015 upon HUD's release of the annual funding award.*

2015 Community Development Funding Allocation Process

The 2015 Community Development Fund Round awards will address the capital needs of Boulder nonprofit organizations and provide microenterprise assistance and public services to low-income Boulder residents. The 2015 Community Development funding allocations include:

| Applicant | Activity | Funding Amount |
|--------------------------------|---------------------------------|-----------------------|
| Colorado Enterprise Fund | Boulder Microenterprise Program | \$50,000 |
| GRID Alternatives | Solar for Low Income Households | \$50,000 |
| Growing Gardens | Capital Improvements | \$41,700 |
| Family Resource Schools (FRS)* | Public Services | \$108,000 |
| TOTAL | | \$249,700 |

**The FRS funding allocation is based on estimates, with the actual allocation amount to be determined mid-2015 upon HUD's release of the annual funding award.*

Opportunity Funding Requests Approved in 2014

In addition to the annual fund rounds, the following opportunity funding requests were approved in 2014:

| Affordable Housing | | |
|------------------------------------|--------------------------------------|--------------------|
| Element Communities | New Construction – 45 units | \$2,400,000 |
| Bridge House | Acquisition/Rehabilitation – 48 beds | \$2,000,000 |
| Flatirons Habitat for Humanity | Critical Flood Repair | \$100,000 |
| EFAA** | New Construction – 5 units | \$55,000 |
| Thistle | Rehabilitation – 24 units | \$214,000 |
| Boulder Housing Coalition** | Rehabilitation – 21 units | \$382,800 |
| Affordable Housing Total | | \$5,151,800 |
| Community Development | | |
| Family Learning Center** | Capital Improvement | \$26,600 |
| YWCA** | Capital Improvement | \$35,900 |
| Community Development Total | | \$62,500 |
| TOTAL COMBINED | | \$5,214,300 |

***Projects with previous funding awards and needing additional funding to achieve the desired outcomes.*

NEXT STEPS

Division of Housing staff will work with partner agencies to develop funding agreements and necessary legal documents. Projects receiving local funding (AHF and CHAP) may be able to begin in the first quarter of 2015. HUD funded projects (CDBG and HOME) will be able to start in the second quarter of 2015 when the federal funds are received.

Any unallocated funds plus additional funding received by the city, either through cash-in-lieu contributions or higher than projected revenue, will be available for opportunity funding throughout the year. This allows the city to target specific unmet needs or respond to urgent requests or special opportunities.

For more information please contact Kristin Hyser, Community Investment Program Manager with the City of Boulder Division of Housing at hyserk@bouldercolorado.gov or 303-441-4187.