



INFORMATION PACKET MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
David Driskell, Executive Director, Department of Planning, Housing and Sustainability
Jeff Yegian, Division of Housing Manager
Kristin Hyser, Community Investment Program Manager
Kate Masingale, Funding Administrator

Date: October 15, 2015

Subject: Housing and Community Development Program Funding Allocations, including Affordable Housing Fund, Community Housing Assistance Program, and Community Development Block Grant

EXECUTIVE SUMMARY

This memorandum details the affordable housing and community development funding allocations totaling approximately \$3.5 million in Affordable Housing Funds, Community Housing Assistance Program funds, and Community Development Block Grant funds. Funding allocations were reviewed and recommended by the City Manager-appointed Affordable Housing 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.

FISCAL IMPACT

The funding awards described in this Information Item are made from the approved budgets of the three dedicated funds - Affordable Housing Funds, Community Housing Assistance Program funds, and Community Development Block Grant funds.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

Below is a list of sustainability outcomes and assessment criteria that were considered in the 2016 fund round.

- **Economic:** Investing capital in affordable housing development and preservation stimulates the economy by creating and supporting jobs in construction fields; supporting businesses that supply construction trades; attracting and retaining employers and a skilled workforce; and increasing revenues for local communities through sales, income and property taxes, and fees.
- **Environmental:** An environmental review process is required for all projects receiving affordable housing and community development funds to ensure the proposed project does not negatively impact the surrounding environment and to ensure the property site itself will not have adverse

environmental or health effects on end users. Furthermore, providing opportunities for people to live where they work reduces traffic and air pollution.

- **Social:** Affordable housing programs and community development activities positively impact the lives of many low income Boulder residents. Providing affordable housing choices to low income households builds stability and provides opportunities to work towards self-sufficiency. Capital investments in local agencies serving low income residents allows for heightened service provision.

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, affordable housing providers, local nonprofit agencies serving low and moderate income persons 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, and federal Community Development Block Grant (CDBG) 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.
- The city's annual federal CDBG grant allows the city to pursue a variety of housing and community development activities benefiting low and moderate income persons. The city's limited CDBG dollars are the only city funds available to meet the capital needs, including facility acquisition or rehabilitation, of agencies that serve low and moderate income persons in Boulder.

Funding allocations are guided by local priorities identified in several documents including: the 2015-2020 Housing and Community Development Consolidated Plan; the Boulder Valley Comprehensive Plan; the Boulder County 10-Year Plan to Address Homelessness approved in 2010; and the 2005-2016 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 Notice of Funding Availability sent to affordable housing providers and community agencies, posted on website and public notice included in the Daily Camera. All application materials are available on the city's website.
- Pre-Application meeting and one-on-one technical assistance sessions with potential applicants. Pre-Application session advertised to affordable housing providers and community agencies, posted on website and public notice included in the Daily Camera.
- Pre-Applications reviewed by staff to determine eligibility. Includes working with applicants to clarify questions or concerns regarding the applications.
- Applications submitted for review by staff and City Manager appointed advisory groups.
- Through Information Item, provide City Council list of applications received.
- List of applications received and under consideration posted on the city website.
- 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 interview applicants and participate in deliberations leading to funding recommendations. Applicant interviews and funding

recommendation deliberations are advertised on the city's website, are open to the public and include time for public comment. Written comments on applications are shared with the TRG and CDAC.

- Preliminary recommendations are shared with applicants and provided the opportunity to appeal the recommendations.
- Recommendations are submitted to the City Manager for review and approval.
- City Manager notifies City Council members of funding decisions.
- Fund award recipients notified in mid-November.
- Funding decisions posted online.

The Technical Review Group is comprised of the following members:

Dan Rotner, Architect
Kiva Stram, Commercial Lender
Matt Schildt, Housing Developer
Jeremy Syz, Real Estate Attorney
Susan Weeks, Realtor

The Community Development Advisory Committee is comprised of the following members:

Ben Doyle, Attorney
Eric Johnson, Contractor
Shari Leach, Nonprofit Executive Director
Alexis Miles, Community Member
Sherry Richards, Realtor

The 2016 fund rounds were launched in the summer of 2015 with the affordable housing and community development deliberations occurring in September. On October 8, 2015, 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, however expedited, 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 existing projects experiencing increased construction costs requiring additional funds 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.

2016 City of Boulder Affordable Housing Funding Allocations

The 2016 Affordable Housing Fund Round applications included a mix of projects proposing to produce new affordable housing units, preserve existing affordable units and provide assistance in the form of owner-occupied housing rehabilitation and housing counseling. The 2016 funding recommendations from the TRG and staff are:

Applicant Project	Activity	Award Amount
Attention Inc. <i>Chase Court Group Home</i>	Rehabilitation	\$50,173
Boulder County Housing Authority (BCHA) <i>Housing and Financial Education</i>	Homeownership Counseling	\$60,000
Boulder Housing Partners (BHP) <i>Palo Park</i>	New Construction	\$975,000
Boulder Shelter for the Homeless <i>Transitional Units</i>	Rehabilitation	\$70,000
Longs Peak Energy Conservation <i>Homeowner Rehabilitation</i>	Rehabilitation	\$125,000
Thistle Community Housing <i>Mapleton Mobile Home Park</i>	Engineering Services	\$40,000
TOTAL		\$1,320,173
Opportunity Fund	Future Affordable Housing Activities	\$1,679,827

2016 Community Development Funding Allocation Process

The 2016 Community Development Fund Round awards will address the capital needs of Boulder nonprofit organizations and provide microenterprise assistance. In addition, public service funds will benefit low income students residing in Boulder and attending Boulder Valley School District schools. The CDAC and staff recommendations for the 2016 CDBG funds are:

Applicant Project	Activity	Award Amount*
Acorn Wilderness Early Learning Center <i>Window Replacement</i>	Capital Improvements	\$85,000
Colorado Enterprise Fund <i>Boulder Microenterprise Program</i>	Project Delivery Costs	\$50,000
Growing Gardens	Capital Improvements	\$215,000
Family Resource Schools	Public Services	\$108,000
TOTAL		\$458,000

*The award amount is based on estimates, with the actual award amounts to be confirmed mid-2016 upon HUD's release of the annual federal funding allocation.

Opportunity Funding Requests Approved in 2015

As mentioned above, in addition to providing funding to partners through the annual competitive fund rounds, throughout the year the Division of Housing provides financial resources to partners to address time-sensitive funding needs utilizing the Opportunity Fund, which is capitalized with unanticipated and/or unallocated funds and returned allocations.

Opportunity Fund requests in 2015 have allowed the city to support both new projects as well as existing projects that have experienced a change in circumstances (e.g., construction cost escalations) to achieve the desired outcomes and community benefits. The largest of these investments included the city's partnership with Element Properties and Allison Management to acquire and rehabilitate the Thunderbird Apartments and Osage 100 Apartments securing the permanent affordability of 203 rental units. Providing \$8.25 million to acquire the property, this subsidy is the largest individual affordable housing program investment the city has made to date, as defined by the amount of funding and number of units preserved.

In addition to the annual fund rounds, the following Opportunity Funding requests were approved in 2015:

Applicant Project	Activity	Award Amount
Boulder Housing Partners <i>Orchard Grove Vacant Land</i>	Land Banking/Acquisition	\$3,000,000
Boulder Housing Partners** <i>Palo Park</i>	Predevelopment <i>To be reimbursed if the project does not proceed.</i>	\$220,000
Long's Peak Energy Conservation** <i>Homeowner Rehabilitation</i>	Rehabilitation	\$66,500
Element Properties <i>Thunderbird & Osage Apartments</i>	Acquisition	\$8,250,000
Emergency Family Assistance Association** <i>North Boulder Transitional Housing</i>	New Construction	\$150,000
Boulder Housing Coalition** <i>Chrysalis & Masala</i>	Rehabilitation	\$264,286
Total		\$11,950,786

***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 (Affordable Housing Funds and Community Housing Assistance Program) may be able to begin in the first quarter of 2016. CDBG funded projects will be able to start in the third quarter of 2016, pending environmental review clearance, when the federal funds are received.

Any unallocated funds plus additional funding received by the city, either through cash-in-lieu payments or higher than projected revenues, are available for opportunity funding throughout the year. This allows the city to target specific unmet needs or respond to time-sensitive requests or special opportunities.