

ATTACHMENT J
Affordable Housing

Stakeholder groups

To discuss how to resolve the potential conflict between the city’s affordable housing goal and the Climate Action Plan goal to upgrade existing housing’s energy efficiency, city staff convened a group of affordable housing providers. Staff held two focus groups with rental affordable housing providers to discuss the proposed changes associated with SmartRegs, specifically the proposed energy efficiency requirements. The main outcome of these focus groups involved the pursuit of federally funded weatherization for the majority of this housing stock.

At the first focus group, staff received feedback on the proposal and brainstormed solutions, which staff then researched. The most attractive idea was to connect as many properties as possible with federal and state funded free weatherization services. New developments in the weatherization program through the American Recovery and Reinvestment Act (ARRA) have expanded the budget of these services and the property types that are eligible to receive these services.

At the second focus group, staff invited the Governor’s Energy Office Weatherization coordinator and the manager from Long’s Peak Energy Conservation (local weatherization office) to explain the potential and process for obtaining weatherization for these properties. While there currently are wait lists for these services, the increased funding levels will ensure service to a higher number of properties through 2012 when the ARRA funding sunsets. Weatherization measures provided through these programs are expected to meet the proposed requirements according to staff at Long’s Peak Energy Conservation.

Breakdown of affordable housing units

The city currently counts 2,061 affordable units that require rental licenses. They are owned and operated by 19 agencies.

<u>Agency</u>	<u>Units</u>
Alvarado Village	28
Anam Chara	8
Boulder Housing Partners	903
Boulder Housing Coalition	21
Boulder Shelter for the Homeless	166
Carmel Community Living	2
Chinook Clubhouse/Sage	8
Dunn Memorial Senior Housing	3
Eaton House	4
Emergency Family Assistance Association	17
Golden West Manor	214
Imagine!	34
Mary Sandoe House	7

Mental Health Center	34
Presbyterian Manor	81
Safehouse Progressive Alliance for Nonviolence	27
San Juan del Centro	216
The Hub	17
Thistle	271
Total	2061

Options

Staff recommends that for the 28 percent (570) of affordable housing units that do not qualify for weatherization services in the first two rental license cycles, they be given an additional four-year cycle to comply. This is described in option 1, below.

Option 1: Allow some affordable housing properties to extend the compliance period

This option allows the 28 percent (570) of affordable housing units that do not qualify for weatherization services to have two rental license cycles to demonstrate compliance. All affordable housing properties that can demonstrate ineligibility for weatherization programs would be granted a rental license at the first renewal. At the second renewal, an affordable housing property would either demonstrate compliance or request an extension for the next four-year cycle from the City Manager (providing a total of 8-12 years for compliance). The extension would be based on a financial analysis of the property’s inability to fund necessary improvements without having a significant impact on housing affordability for the target population. This demonstration of hardship could qualify the property for local funding of improvements. At the third license renewal period, the property would need to demonstrate compliance or provide a compliance plan outlining how the property would be brought into compliance within a mutually agreed period of time.

Option 2: An affordable housing efficiency fund could be created

For approximately \$150,000/year¹, approximately 100 affordable units could be improved each year. In order to provide full funding for all 570 units, this level of funding would need to continue for five to six years. Possible sources include: Climate Action Plan Tax (through 2012 only), local investment fund, affordable housing funds or General Fund.

Other options considered

Option 3: Exempt these properties from these requirements

Although affordable housing providers are keenly interested in energy efficiency, exempting them would eliminate potential trade-offs between affordable housing and climate action goals. The number of properties exempt from the requirement would be approximately 570. The focus group providers did not support this option.

Option 4: Allow properties to comply by demonstrating that the average energy performance across an agency’s total portfolio of properties complies.

¹ Assuming the high end of the range of \$1,500/unit

This would allow some agencies to use “excess” improvements, especially photovoltaic systems if allowed, on some properties to reduce the cost of compliance of other properties. It would address the overall Kyoto goal, but might result in some individual properties not being improved to the SmartRegs standard.

Option 5: Provide funding from a grant program created by revenues from the purchase of offsets or local investment

Dedicating funds raised through other compliance options would address the agencies’ need for resources to bring properties in to compliance. However, this use of any revenue generated would reduce the ability to fund other climate action programs. In addition, it is not clear that enough funding would be generated in this way to substantively help the 570 properties that would need it.

Option 6: City funds a part-time grant-writer to assist these properties in seeking funding for improvements

Any grants awarded from outside sources would leverage the city’s own efforts. Funds expended in this manner would have uncertain results and reduce funding available for other efforts.

Option 7: Create a sliding scale for compliance based on level of affordability, less points required for properties that are more affordable

This would make compliance easier for many properties, but would not achieve the energy efficiency goal for them. The more affordable properties, and their residents, would benefit most from reduced energy costs.