

## Overview of OED Housing Fund Implementation Plans September 2016

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Denver's proposed housing fund is an important step forward in addressing the growing housing need across a range of incomes, from permanent supportive housing for our most vulnerable residents to workforce rental and for-sale housing. While flexibility in the use of proposed funds is important to the city's ability to respond to changing market conditions and housing needs, the Office of Economic Development (OED) is committed to transparency and inclusivity in deploying funds and setting investment priorities over time.

### 1) Housing Fund Deployment

#### **Provide dedicated staff for affordable housing within Office of Economic Development.**

The Office of Economic Development's Division of Housing currently has seven dedicated housing staff members. Two of those dedicated staff members are supervisory and five serve functions such as project origination, underwriting, contract execution, program management including the existing Inclusionary Housing Ordinance and policy development. Additional support staff within OED work on housing functions related to compliance, monitoring and data collection.

**OED is proposing to add three new dedicated housing staff members as part of the administration on the permanent fund:** An administrator for the housing fund that will help staff the proposed governance body and oversee fund deployment, and two additional project/program staff. In addition to the three new housing staff members, one additional full time employee would be added to the City Attorney's Office for contract development and one additional full time employee would be added to Community Planning and Development to oversee linkage fee collection.

#### **Create competitive programs and streamline decision-making on housing investments.**

Currently, applications for gap financing through OED are submitted to housing staff on a rolling basis and thus are not always consistently evaluated against other, leading to potential inconsistencies in contract terms across projects. **As part of the plan for housing fund deployment, OED will transition from rolling applications for gap financing to annual and semi-annual competitive programs for a variety of product types.** Applications for OED tax credit gap financing will be streamlined through a shared application with the Colorado Housing and Finance Authority and the Colorado Division of Housing. A small portion of funds would be held for emergency or catalytic development opportunities as necessary.

In addition to competitive processes for fund allocation, **OED is also currently developing product term sheets to provide transparency for internal and external housing stakeholders in how housing investments will be evaluated and structured.**

Proposed term sheets, RFP schedule for 2017 and draft RFPs for specific investment types will be shared with a revamped Affordable Housing Advisory Committee later in the fall as the body is developed. With input from the Advisory Committee, product term sheets and RFP schedule for 2017 will be available to the public as finalized.

**2) Housing Fund Governance Body**

**A revamped Affordable Housing Advisory Committee would recommend development and preservation goals along the income spectrum, identify geographic priorities for the use of funds, and review semi-annual and annual performance and outlook reports.** Recommendations from the Committee would help inform affordable housing budget priorities annually and 3-5 year strategic plans for the fund.

The 23-member Committee would be a diverse body of housing, finance and real estate professionals including representatives from partner housing agencies such as the Colorado Housing and Finance Authority and impacted residents. **The process to confirm the revamped Affordable Housing Advisory Committee would begin upon fund adoption.** OED is planning to hold a kick off retreat with the new Advisory Committee later in the fall, with regular monthly meetings expected to start in January 2017. The initial retreat will focus on the OED’s implementation plans for 2017 and structure of the body moving forward.

While the revamped Affordable Housing Advisory Committee will have an important role in developing priorities for housing fund investments, the Office of Economic Development has proposed a 2017 budget to provide transparency and predictability for Council and stakeholders for the first year while the new body is developed. **The proposed 2017 housing fund budget focuses on land acquisition, unit development, and temporary emergency assistance for households at risk of displacement.**

**Proposed 2017 Housing Fund Budget**

<b>Investment</b>	<b>Expenditure</b>	<b>Mechanism</b>	<b>Estimated Timeline</b>
Unit Development	\$9.4M	Shared Application	Aligned with CHFA tax credits
		Competitive RFP	Q1 and Q3 of 2017
Land Acquisition	\$3.0M	City Investment	Ongoing
Emergency Assistance	\$1.5M	Competitive RFP	Q1 of 2017
Administration	\$0.6M	N/A	N/A
Reserves	\$0.5M	N/A	N/A
<b>TOTAL</b>	<b>\$15.0M</b>		

Additional information about the Office of Economic Development’s current housing programs can be found at [www.denvergov.org/housing](http://www.denvergov.org/housing). Applications, materials and meeting times for the Affordable Housing Advisory Committee, timeline and details for competitive programs, product term sheets and other supporting information will be available on the Office of Economic Development’s website as finalized.