



Safety and Well-being Committee Summary Minutes

Tuesday, August 18, 2015 **1:30 PM** **City & County Building, Room 391**

Committee Members: New, Chair; Kniech, Vice-Chair; Clark; Flynn;
Kashmann; López

Committee Staff: Debra Bartleson

Council Members Present: New, Kniech, Clark, Flynn, Kashmann, Lopez, Herndon
Members Absent: None

Bill Requests

BR15-0571 Amends Chapter 27, Article III of the Revised Municipal Code (Preservation of Affordable Housing) to: **1) expand coverage to all affordable properties that have received any public assistance; 2) expand coverage to properties that are for sale; 3) provide the City or its designee a right of first refusal on for-sale units; and 4) increase the length of the required notice period.**

Public Comment Period:

a) Presentation. b) 15 minutes of public comment. c) Action.

Rick Padilla and Doug Selbee, Office of Economic Development

Doug Selbee, Office of Economic Development (OED), explained the importance of preserving affordable housing in Denver and that there are approximately 4,500 affordable units that have covenants that will expire in the next five years.

Denver's affordable housing ordinance outlines tools to preserve the affordability of units and the amendments proposed today are reflective of the 2013 study conducted by the National Housing Trust. There are four items for proposed amendments to code (see attachment).

Councilmember Clark questioned why a 120 day notification. Mr. Selbee stated they looked at what other cities do for a notification period and found that period is best when working with partners.

Councilmember Flynn requested copy of the national study and questioned if the City can retroactively place these requirements on units. Jen Welborn, City Attorney's Office, indicated that she does not have concerns on placing these requirements on existing units; it is not a legal issue.

A public comment period was held and one speaker was present to comment on the code amendments. Mary Anna Thompson, Denver Homeless Out Loud, said she feels the amendments would address the needs of the homeless. She's concerned that properties who opt-out add to homelessness.

A motion offered by Kniech, duly seconded by Lopez, that this item be moved forward carried by the following vote;

- AYES: Herndon, New, Kniech, Clark, Flynn, Kashmann, Lopez(7)
- NAYS: (None)
- ABSENT: (None)
- ABSTAIN: (None)

BR15-0570 Approves a Master Funding Agreement with Colorado Housing and Finance Authority (CHFA) paid out of the Revolving Affording Housing Loan Fund (RAHLF) for the administration, underwriting and servicing of the City's Revolving Affordable Housing Loan Fund (RAHLF). The costs will be covered by borrowers from the fund in the form of application and origination fees and a portion of the interest paid by borrowers.

Rick Padilla and Doug Selbee, Office of Economic Development

Doug Selbee, OED, noted that Denver has a partnership with Colorado Housing and Finance Authority (CHAFA) to provide the City underwriting and other servicing to the City's Revolving Affordable Housing Loan Fund (RAHLF). He explained that RAHLF is used as gap funding on 4% tax credit loans. RAHLF provides additional low-cost financing and is capitalized with \$10 million from various funding sources. The RAHLF model permits the reserve to be reinvested into the program to create more affordable units. (See attachment.)

Councilmember Kniech questioned if the marijuana tax commitment last year was utilized in any of these opportunities. Rick Padilla, OED, said they are being used in conjunction with other combination of funding. He clarified that the City will

continue to be the point of contact with any developer. A representative from CHFA stated that if there is any disagreement in the servicing of a loan; they would work with the City. The first point of contact will be Mr. Selbee. Skye Stuart, Mayor's Office, confirmed that marijuana tax money has been deployed to affordable housing developments (\$750,000 was available).

Councilmember Flynn questioned if a 9% model would cause a different outcome from this model. Mr. Selbee thought it would be similar; equity would be 70 to 80%; but he noted that is not the target of RAHLF model.

A motion offered by Lopez, duly seconded by Kniech, that this item be moved forward carried by the following vote;

AYES: Herndon, New, Kniech, Clark, Flynn, Kashmann, Lopez(7)
NAYS: (None)
ABSENT: (None)
ABSTAIN: (None)

BR15-0584 Amends the "Metro Mortgage Assistance Plus Program" fund in the General Government Revenue Fund to allow for authorizing expenditures from the fund to be spent on additional affordable housing activities as approved jointly by the City's Director of OED and Chief Financial Officer.
Andrew Johnston, Dept. of Finance

Andrew Johnston, Dept. of Finance, stated the Metro Mortgage Assistance Plus (MMA+) Program has been in existence for three years. The amendment will allow funds to be spent on additional affordable housing activities. The program is self-sustaining and has created additional monies; approximately \$900,000 that will also be available for housing programs. (See attachment.)

Councilmember Kniech asked if the monies could only be used for direct investment deals. Mr. Johnston explained that the ordinance is not prescriptive and said that additional language could be added to direct where the monies could go. Mr. Selbee clarified that the monies could only be used on affordable housing activities.

Councilmember Clark questioned how many loans per year are generated. Mr. Johnston said over 3 years there has been 976 household loans and noted that only loans that reach Council threshold amounts would have Council oversight.

A motion offered by Lopez, duly seconded by Herndon, that this item be moved forward carried by the following vote;

AYES: Herndon, New, Kniech, Clark, Flynn, Kashmann, Lopez(7)
NAYS: (None)
ABSENT: (None)
ABSTAIN: (None)

