

COMPREHENSIVE HOUSING PLAN UPDATE

Safety, Housing, Education and Homelessness Committee

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September 13, 2017

Agenda

- I. Where We Are Today
- II. Overview of Five-Year Housing Plan
- III. Overview of 2018 Annual Action Plan
- IV. Overview of Proposed 2018 Housing Budget
- V. Questions and Discussion

Where We Are Today

Continued Discussion on Complex Issues

- What are the Values of our Housing Policy?
- Land Trusts
- Gentrification
- Displacement
- Additional Housing Resources

Continued Public Engagement

- Neighborhood Groups
- Advocacy Groups
- Policy Groups
- Public Input

Continued Policy Considerations

- The Affordable Housing Committee will consider the five-year plan as a *Living Document*

Where We Are Today CONTINUED

HAC Meeting on September 7

- Good discussion on balancing investments in the Five-Year Plan across the spectrum: homelessness to homeownership continuum; preservation versus new construction

HAC Office Hours on September 18

- 4 small group committee member meetings
- More discussions will be held to settle on the percentage of the funds to be invested in across the continuum and on preservation versus new construction

Public Meeting on September 19

- A report-out to the public on the key strategies and priorities
- A report on the continuing discussions regarding the investment priorities

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Outline of Five-Year Plan

PURPOSE: Set Housing Policy and Investment Strategies Over a Five-Year Period

1. Introduction

Core Goals:

- Create affordable housing in vulnerable areas and areas of opportunity
- Preserve affordability and housing quality
- Promote equitable and accessible housing options

Connection to other planning efforts

- Denveright, Gentrification Study, HUD Consolidated Plan, Assessment of Fair Housing

2. Existing and Future Housing Conditions

- More than 3,000 individuals experiencing homelessness, 68,000 cost-burdened renters, and 35,000 cost-burdened owners in Denver

Outline of Five-Year Plan CONTINUED

3. Housing and Other Affordability Investments

- Overview of available funds for housing development, preservation and programs in OED
- Overview of related “affordability investments” in city agencies such as DHS, HRCP, DEH, and DOF

4. Legislative and Regulatory Priorities

- Strengthen city’s preservation ordinance
- Expand and strengthen land use regulations for affordable and mixed-income housing
- Develop consistent standards for affordable housing in major redevelopment areas
- Enhance protections and assistance for renters, including exploring a rental registry
- Stabilize families through tax relief programs
- Promote inclusive communities that support cultural diversity
- Explore affordable housing development on publicly owned land

Outline of Five-Year Plan CONTINUED

5. Investment Priorities: Strategic Land Acquisition

- Invest in direct acquisition and through partners, leveraging existing tools such as Regional TOD fund and explore a citywide Land Trust

6. Investment Priorities: Homelessness

- Expand housing options for persons experiencing homelessness, integrate providers along housing continuum, enhance services for supportive housing

7. Investment Priorities: Affordable and Workforce Rental Housing

- Preserve income restricted and unsubsidized rental housing in vulnerable neighborhoods and near transit, develop new affordable housing near transit and in high opportunity areas, provide eviction assistance, and promote programs access to rental housing in high opportunity areas (ex: LIVE Denver)

8. Investment Priorities: Attainable Homeownership

- Promote programs that help families maintain homes they already own (such as ADU expansion), preserve income-restricted homes in high opportunity areas and unsubsidized ownership homes in vulnerable areas, and develop new affordable and mixed-income for-sale homes near transit

Outline of Five-Year Plan CONTINUED

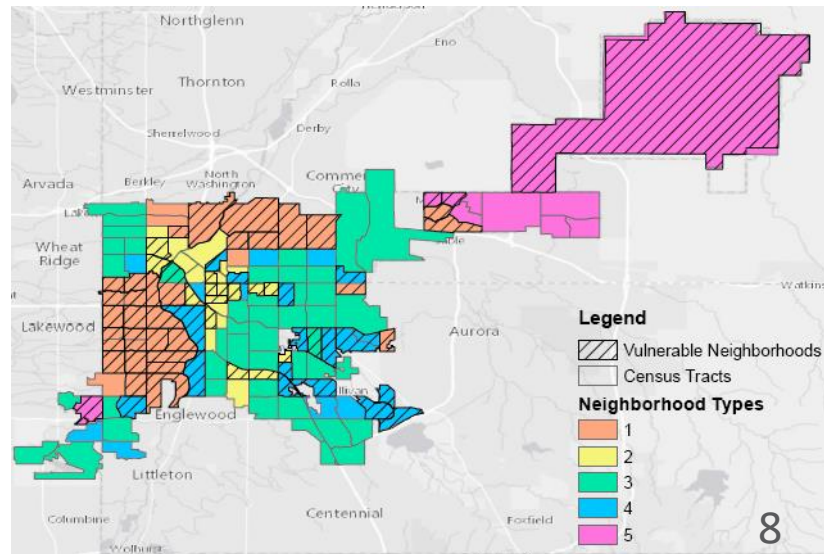
9. Implementation

Targeting along income spectrum to achieve outcomes (units developed and preserved and households served through programs)

- Housing Advisory Committee, stakeholders and public feedback to invest along housing continuum to promote economic mobility
- **BUT: Resources should be prioritized toward most vulnerable residents earning below 30% of Area Median Income**

Calibrating investment strategies to unique neighborhood characteristics

- Analyzed census tracts according to similar characteristics and opportunity indicators
- Prioritize investment strategies appropriate to unique neighborhood characteristics to promote inclusive communities



Outline of 2018 Action Plan

PURPOSE: Identify specific investment strategies to implement five-year framework based on current conditions in alignment with the 2018 City Budget

1. **Stabilize residents in vulnerable neighborhoods**, including through emergency assistance for renters, a pilot ADU program, and promoting tax relief programs
2. **Acquire land for future supportive housing programs**, invest in existing **supportive housing pipeline** and gap funding for **supportive services**
3. **Develop new affordable housing stock for very low income and working families**, and invest in existing pipeline of projects from 2017 tax credit forward commitment
4. **Preserve existing housing stock**, including restricted rental stock that falls under the Preservation Ordinance; restricted homeownership stock in Stapleton; and explore land trust model

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2018 Affordable Housing Budget

PURPOSE: Align with 2018 Annual Action Plan to guide investments along income spectrum

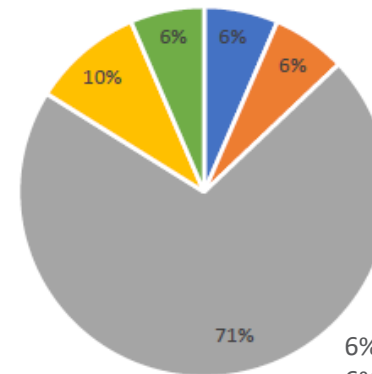
- In 2017, OED developed buckets for the affordable housing budget that were focused on **HOW** the city spends housing resources into unit development, preservation and programs.
- With input from the Housing Advisory committee and to align with the Comprehensive Housing Plan, OED is updating the buckets for the affordable housing budget to better reflect **WHO** the city serves through housing investments.
- These new buckets reflect a focus on serving residents along the housing continuum, including residents experiencing homelessness, very low income residents and working families seeking rental housing, and residents seeking to achieve or maintain homeownership.
- The city will continue to invest in unit development, preservation and programs along the housing continuum.

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2017 Affordable Housing Budget

2017 Local Housing Funds

	2017 (Original)		2017 (Revised)	
Property Tax Revenue Fund				
Administration	\$	1,002,112	\$	1,002,112
Land Acquisition	\$	1,000,000	\$	1,000,000
Unit Development/Preservation	\$	7,519,188	\$	10,219,188
Housing Assistance	\$	1,500,000	\$	1,500,000
Supportive Housing	\$	1,000,000	\$	1,000,000
Total	\$	12,021,300	\$	14,721,300
Linkage Fee Revenue Fund				
Unit Development/Preservation	\$	3,500,000	\$	800,000
Total	\$	3,500,000	\$	800,000
Total Estimated Expenditures	\$	15,521,300	\$	15,521,300

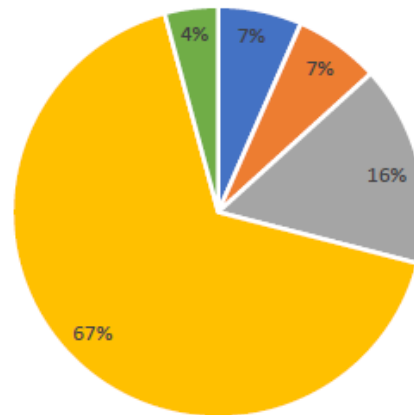


6%: Administration
 6%: Land Acquisition
 71%: Unit Development/
 Preservation
 10%: Housing Assistance
 6%: Supportive Housing

2018 Affordable Housing Budget

2018 Local Housing Funds

2018	
Strategy Type (Aligns with Housing Plan)	2018 Est. Expenditures
Administration	\$ 979,437
Land Acquisition	\$ 1,000,000
Homelessness	\$ 2,350,000
Affordable and Workforce Rental	\$ 8,470,000
Homeownership	\$ 625,000
TOTAL	\$ 13,424,437
Linkage Fee Revenue Fund	
Affordable and Workforce Rental	\$ 1,500,000
Total	\$ 1,500,000
Total Estimated Expenditures	
	\$ 14,924,437



7%: Administration
7%: Land Acquisition
16%: Homelessness
67%: Affordable and Workforce Rental
4%: Homeownership

Note: Based on input from the Housing Advisory Committee and to align with the Housing Plan, the 2018 budget buckets reflect WHO is served by housing investments. **The city will continue to invest in unit development, preservation and programs along the housing continuum.**

2018 Affordable Housing Budget

CONTINUED

In addition to the dedicated local funds, OED invests federal funds on housing development, preservation and programs. Federal funds are subject to annual appropriations, but historic allocations have included:

- **Community Development Block Grants (CDBG):** ~\$2M available for housing land acquisition, preservation and programs
- **HOME funds:** \$2.5M available for new construction and programs
- **Housing and Opportunities for Persons with AIDS (HOPWA):** \$1.7M available for programs

OED also receives nearly \$750K in program income annually from historic investments.

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2018 Affordable Housing Budget

CONTINUED

In total, OED invests around \$22M annually along the housing continuum

Draft outcomes from investment of local funds and federal housing funds (*if amounts are consistent with 2017 appropriations*) include:

- Approximately **850** units developed or preserved
- Approximately **7,500** households impacted through program investments in direct financial assistance, home rehabilitation, counseling and supportive services

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Next Steps

- Public review draft available on OED's website for comment:
Friday, September 15
- Public open house: Tuesday, September 19, 6 - 8 p.m. at Bruce Randolph Middle School
- HAC Committee meeting: Thursday, September 28
- Submission of Five-Year Plan and 2018 Action Plan to Council

QUESTIONS AND DISCUSSION