

**CITIZENS ADVISORY COMMITTEE ON HOUSING
AND COMMUNITY DEVELOPMENT
HYBRID MEETING
May 10, 2022 | 6:30 p.m.**

Members Present: Lynn Bittel, Jaime Carolina, Vince Chowdhury, Erica Howard, Teri Marquantte, Brittany Noble, Jason Schneider, Charlene Wisner-Howard

Members Absent: Marcella Barnett, Demetra English, Haley Reddish
***Excused**

**Late Arrivals/
Early Departures:**

Staff Present: Barbara Abbotts, Jeff Hancock, Billye Williams

Guests Present: Erica Ponder, Joshua Dieker

Roll Call

Chairperson Teri Marquantte called the meeting to order at 6:40 p.m. and roll call followed.

Approval of Agenda

Lynn Bittel motioned to approve the agenda as presented. Teri Marquantte seconded the motion. The motion passed unanimously.

Approval of Minutes

Lynn Bittel motioned to approve the minutes of the April 12, 2022 meeting as presented. Jason Schneider seconded the motion. The motion passed unanimously.

Public Comment

Joshua Dieker had expressed interest in the vacancy of the Planning and Zoning board and was told (by the City Clerk's Office) that this (Citizens Advisory Committee on Housing and Community Development) might be a good fit for him. He read the last couple of meeting minutes and asked for a quick summary of the mission of this board. Also, he asked about the interview process and additional steps taken to be selected for this committee.

Committee Member Briefings

None.

Communications from Staff

a. Community Investment Update -

- Jeff Hancock presented the community investment updates. He summarized affordable housing projects that are underway or in the works that have been approved through the community investment funding rounds in the last few years (June 2020-February 2022). He explained twice a year (typically Winter and Summer), the Community Development Division put a formal process in place for developers seeking to build affordable housing. He mentioned our HOME program funds are received from Department of Housing and Urban Development (HUD), benefit new construction and relocation of affordable housing projects. He summarized a spreadsheet with the following information: (1) finance round date (2) project name (3) funding amount (4) funding source (5) project type (6) number of units (7) developer (8) project status. The community investment funding process begins with reviewing applications then selecting a certain number of projects up to the money available during that round. He mentioned barriers to receiving funding after originally approved, such as missing tax credits from Colorado Housing and Finance Authority (CHFA). In the past two years, the city has awarded the following amounts towards affordable housing:
 - HOME Investment Partnerships (HOME) = \$7,300,000
 - Community Development Block Grant (CDBG) = \$1,300,000
 - City General Funds = \$850,000
 - American Rescue Plan Act (ARPA) = \$1,500,000
 - If all projects are built as planned, the following number of units will be available:
 - 1053 estimated new affordable rental units
 - 56 estimated rehabilitated permanently affordable single-family homes
 - 132 estimated rehabilitated affordable rental units
- Jason Schneider asked if the spreadsheet included the last round (February 2022). Jeff confirmed it did, however he excluded projects funded with Private Activity Bonds (PAB). Also, the spreadsheet excludes projects prior to June 2022 and before the community investment rounds started. Jeff stated there are 3-5 older projects that have been completed in the last 2 years that are not on the spreadsheet. There are 200-400 new units that were added from approvals 4-5 years ago that have been finished in the last 1-2 years.

b. Foreclosure Information

- Barbara Abbotts presented the foreclosure updates. She provided a comparison between foreclosures filed 10/1/2018 to 4/30/2019 and 10/1/2021 to 4/30/22. She informed the filing system does not have information from 10/1/2019 to 04/30/2020 which may have been removed due to foreclosures during the pandemic. In 2018-2019, Arapahoe County filed 290 and Adams County filed 18. She explained the Notice of Disclosure (NED) have not necessarily been foreclosed on. Some may have withdrawn, secured a loan, or gone into bankruptcy. In 2021-2022, Arapahoe

County filed 213 and Adams filed 24. Interestingly, most of the NED's recorded are from Colorado Housing and Finance Authority (CHFA). Due to numerous complaints against CHFA, the Consumer Financial Protection Bureau (CFPB) is investigating why CHFA is filing foreclosures so quickly. Some NED's might be overturned because CHFA should have waited 180 days for the forbearance period to end before filing and another 120 days once they filed for the actual foreclosure date. Barbara explained the numbers shown are mainly CHFA, not other corporations (examples: Mr. Cooper, Freedom Mortgage, Specialized Loan Servicing). She attributes lower NED's because these companies are abiding by CFPB rules.

- Jeff Hancock asked for clarification on the 180 days foreclosure process and what assistance is in place to prevent lenders from taking early actions and allowing homeowners to stay in their homes. Barbara stated CFPB put out an order that agencies had to wait 180 days once the forbearance ended and must contact borrower and work with them to do a modification. Most agencies were automatically sending COVID modification or requesting an application to review income to try to qualify homeowners for a different program.
- Jeff raised awareness to increased foreclosures over the next several months. Barbara stated the city sends out letters (English and Spanish) every week to anyone who has a NED recorded. She has received at least 20 letters back as “undeliverable” and this trend is continuing. This is a sign that property owners have already left the home. Jeff assumed people have equity in their homes from the last foreclosure crises (2017 or 2018 due to the market values. These owners might be able to sell and walk away with money in their pocket. Barbara confirmed scenarios like that are happening.
- The Federal Housing Administration (FHA) is going to start a 40-year mortgage again. It is the only agency that is doing a partial claim of taking some of the money and putting it on the back. Current interest rate is 5.5% and people are unable to reduce their mortgage payments on a 30-year mortgage.
- Barbara explained homeowners must first be declined for a loan modification before applying for Emergency Mortgage Assistance Program (EMAP) through the State. As of Thursday, May 5, 2022, there are 3000 EMAP applications to be reviewed. The State has asked agencies like the City of Aurora to join by offering a Notice of Funding Opportunity to receive part of the money. She mentioned the process is like Emergency Rental Assistance provided by the city. Charlene Wisner-Howard expressed concern for the backlog of applications and suggested an ideal solution to receiving money from the State by allowing CHD committee to assist with the effort. Barbara thanked her and informed the committee only certified housing counselors can process applications. However, three potential options could be (1) receive the money and process through the State's neighborly system (2) the city could be a housing counselor for another agency (3) assist with submitting applications for people. She reiterated the client must be declined from the lender to be eligible to apply for EMAP services. Lynn Bittel commented on having the committee help with educating applicants on the procedures to qualify and apply for State assistance. Jeff informed the committee the COA is considering getting involved with mortgage assistance in some capacity depending on staffing.

c. Department of Local Affairs (DOLA)

- Jeff provided an update. The city applied for a grant from the State of Colorado, Department of Local Affairs and received it to hire a consultant. The consultant will research and present to the city ideas on strategies that the city should pursue to help attract more developers to build affordable housing. Also, the consultant will need to be familiar with the housing strategy and what the city is trying to accomplish. The city will ask the consultant to (1) review fee waiver incentive programs (2) how to establish a dedicated funding source. The grant amount received is approximately \$112,000. An additional \$37,000 match as part of this grant brings the total to \$150,000 to hire a consultant. The Manager of Community Development, Alicia Montoya, is in the process of creating a request for proposal to hire a consultant in June or July. The research will be 6-months to 1-year, and some ideas will be presented to City Council for approval.
 - Lynn asked if any developers are offered a discount on fees? Jeff was not positive but stated if any fees are waived or reduced that would be less income for the City but there may be a balance to doing that to obtain more affordable housing.
 - Vince Chowdhury commented on challenges for residential and commercial buildings. The city is not a vertical build, and quality companies as an example want 35 floors with state of the art. He mentioned Aurora is not capable of providing that and therefore the city is at an economic disadvantage. He inquired about quality high rise residential builds. Lynn mentioned the cost factor to building high rise is expensive. Both stated the cost is high in their neighborhoods because everyone wants to live in the most desirable zip code (80016). Vince asked rhetorically if we want to be a premier city of advance. Lynn said the land price has gone up exponentially because houses are selling so quickly and above asking price. Also, materials cost more making it a challenge to build affordable housing.
 - Jason Schneider provided detailed information about how high-rise buildings are more involved (example air traffic patterns). He spoke about a project he helped build in Tempe, Arizona.
 - Teri Marquante mentioned an article she read about corporations in Denver, Colorado no longer needing commercial real estate because majority of employees are working from home. Businesses are now downsizing to smaller spaces as the main office and trying to re-purpose the large buildings into housing. The option is a high cost.

d. Loan Write-Offs

- Jeff Hancock presented the write-off report. He explained some funding goes towards projects such as homeowner rehabilitation programs. Sometimes the funding is in the form of a loan to the homeowner with a zero percent interest deferred payment loan. Homeowners do not have to payback the loan until they no longer live in the home or decide to sell. At times, the city may be forced to write off the loans if they go bad. Expected foreclosures this year are an example of that. As for April, there were no loan write offs, program income received from loan repayments were \$140,632.36. April's program income breakdown: HOME

\$53,939.73, CDBG \$86,692.63. One commercial project for CDBG was paid off. Year to date program income breakdown: HOME \$289,833.35, CDBG \$116,833.97. Loan repayments or program income received is recycled into the program and put into new projects like the community investment projects. Program income dollars are in addition to annual HUD grant. The city receives approximately \$1.1 Million dollars each year from the HOME grant and just under \$3 Million from CDBG.

- Charlene asked about reverse mortgages for a placement of liens. Jeff confirmed loans with HUD funding have liens on the property to ensure the city is repaid.

Communications from Committee

a. New Member Applicant

- Application for Joshua Dieker was received on 04/28/2022. The executive sub-committee decided to interview Mr. Dieker on 05/23/2022.

b. Flyer and Social Media

- Julie Patterson from the Communications Department created a visual flyer for social media and in-person events.

c. CHD Roster

- Current member terms were updated to begin 09/01 and end 08/31. Vacancy's were updated to begin 09/01/22 and end 08/31/26.

d. Brothers Redevelopment paint-a-thon

- Project selected for Mr. Lam, an Aurora Citizen, to be completed on Saturday, June 11, 2022.

e. Aurora History Museum Tour

- "Without A Home In Aurora" exhibition in-person or virtually at Aurora History Museum. Personal narratives and photos of persons experiencing homelessness.

f. Open Discussion

- Teri reminded members that there is only one meeting in July. She asked about taking a tour of some developments in August. Some suggestions were the Veterans building near Fitzsimmons that is fully occupied now, 13th Avenue Apartments near Peoria, converted office building near NineMile Station, and Senior Housing. Lynn asked about group transportation so the committee could all be together. Members asked to send in suggestions to Staff Liason.

Adjournment

Charlene Wisher-Howard motioned to adjourn the meeting and Lynn Bittel seconded the motion. The meeting adjourned at 8:18 p.m.

Minutes taken by: Billye Dee Williams 06/14/2022
Billye Williams Date
Administrative Specialist
Housing and Community Services Department

Minutes reviewed by: Martha A. Montoya Aug 31, 2022
Martha Alicia Montoya Date
Community Development Manager
Housing and Community Services Department

Minutes approved by: Teri Marquante June 14, 2022
Teri Marquante, Chairperson Date






CHD Approved Minutes 5.10.22

Final Audit Report

2022-09-01

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