

**HOUSING, NEIGHBORHOOD SERVICES & REDEVELOPMENT POLICY
COMMITTEE
September 1, 2022**

Members Present: *Council Member, Chair Crystal Murillo
Council Member, Vice-Chair Ruben Medina
Council Member, Juan Marcano*

Others Present: Dayna Ashley-Oehm, Tim Joyce, Mattye Sisk, Andrea Amonick, Emma Knight, Jessica Prosser, Alicia Montoya, Craig Maraschky, Adrian Botham, Karen Hancock, Jennifer Orozco, Jeff Hancock, Sarah Carroll, Mindy Parnes, Steve Blackstone, Rachel Allen, Roberto Venegas, Jeannine Rustad, Angela Garcia, Michelle Gard, Sandra Youngman, Jacquelyn Bayard

WELCOME AND INTRODUCTIONS

Council Member Murillo welcomes everyone to the meeting.

MINUTES

August 4, 2022 minutes are approved.

ANNOUNCEMENTS

None.

NEW ITEMS

Aurora Housing Authority Update and Available Housing Community Resources

Summary of Issue and Discussion

Dayna Ashley-Oehm, Craig Maraschky, and Steve Blackstock from the Aurora Housing Authority present this item. The Aurora Housing Authority (AHA) was established in 1975 and is quasi-governmental. There are seven members of the Board of Commissioners that were appointed by the Mayor. The primary focus of AHA is to focus on affordable rental housing and the operating budget currently is \$57 million. From 2017 to 2020, there has been \$53 million in new construction and for the next 24 months, the plan is to do an additional \$78 million of new construction. The new construction will be for three properties and will add 231 new units to the existing 810. Currently, there are 60 employees. The AHA serves 2,200 vouchers and is engaged in Aurora@Home, the city's homeless program and plan. The Housing Choice Vouchers are subject to congressional appropriations, and thus will need responses to Notice of Funding Opportunities (NOFO) once available. A NOFO regarding homelessness will be coming out in October.

Currently, AHA provides \$36 million in annual rental assistance for 2,200 households. There are 137 HUD-VASH vouchers available for formerly homeless veterans. The AHA has been working with the city to ensure all vouchers are used through the Built for Zero campaign. There are 72 mainstream vouchers for non-elderly individuals with disabilities. Moreover, there are 74 emergency homeless vouchers (EHV) for homeless individuals. The AHA gets referrals through the Metro Denver Homeless Initiative Continuum. They recently received 15 new vouchers through the 2021 Congressional Appropriations. Those 15 vouchers will be available in the next few months. In the

2,200 households, 5,900 individuals are served, with half being children and 44% senior or disabled or senior and disabled. The average income for those with the vouchers is \$12,000 to \$13,000 per year and the average rental assistance provided is \$1,100 to \$1,200 depending on family size.

When vouchers become available, priority is given to individuals in various homeless programs. AHA works with various nonprofits and with the city through Aurora@Home to get vouchers for homeless individuals. 1,000 property owners lease to clients. For 810 units, AHA is the general partner. There are 1,500 units that AHA is a limited partner with for-profits and nonprofits including Providence at the Heights (PATH), Alameda View Apartments, and Range View Apartments.

The affordable rental properties are funded through various sources such as Project-based Section 8, Low-income Housing Tax Credits (LIHTC), resolution trust corporation units (RTC), HOME, and CDBG. AHA also uses taxable and tax-exempt bonds including private activity bonds. There is \$48 million in outstanding debt on the properties and \$25 million will be added next year for the new units. The oldest building, Fletcher Gardens, is for seniors; the newest building is Peoria Crossing.

AHA houses over 1,700 household members and the average annual income is \$21,600. However, 60% of residents' income falls below \$20,000 per year. The Department of Family Services partners with individuals, families, and the community to help foster quality housing. There are eight MSWs that serve AHA clients. One social worker works with veterans and the VASH program, while newer social workers work with 50 former foster youths and families involved in the Family Reunification Program. The DOH and the Continuum of Care Program (COC) help fund Aurora and allow the AHA to work with homeless families and children. The AHA also works closely with the Aurora@Home's landlord recruiter to assist program participants to locate suitable housing. AHA launched the Education, Community, Health, and Opportunity program (ECHO) which brings resources and programming to residents on nine AHA properties. Through the Youth Violence Prevention Program, the AHA was awarded a grant to fund family activities at the properties. Another grant was awarded through the Department of Human Services to provide early childhood education at three properties. The AHA has hosted vaccine clinics, distributed school supplies, and hosted STEM and gardening classes. Moreover, the AHA is working with families and individuals in the Emergency Housing Voucher Program.

AHA is the planned administrator and fiscal agent for Aurora@Home and is working to meet the needs of the unhoused population. In 2022, the AHA has served 63 families including 139 children. 91% of the families that exited the program went into permanent housing, and ten families received vouchers from AHA. The landlord recruiter helped house 11 new families in 2022. Recently, referrals were opened. The recruiter has built relationships with property managers to work closely with landlords to resolve any maintenance or rental issues. The recruiter decreased the time that families spend in the housing search process through this as well.

The AHA competes with other cities in Colorado for low-income housing tax credits and soft funds. The Colorado Housing and Finance Authority (CHFA) is the allocating agency for the tax credits. The city applies to CHFA for federal and state housing credits. CHFA awards funding based on readiness, geographic considerations, and the quality of the applicant. The federal 9% credit states get a per capita allocation of \$2.60 per person, resulting in 15.3 million in federal credits. The straight 4% tax credit is linked to a private activity bond volume cap (PAB). Aurora receives a 21 million PAB volume cap annually. The state housing credit adds \$10 million annually. For Colorado in 2021, 49 deals were awarded with state and federal credits. CHFA allocated 1.74 million in 4% credits to Walden35 and will be good for 10 years to the investor. The AHA's investor is Wells Fargo, which offered \$0.95 per credit which results in \$16.5 million in equity. The equity will allow charging lower rent prices. This amounts to the project costing \$37 million to build. The first mortgage is from Wells Fargo for \$12.6 million.

Four deals are being worked on for the development pipeline. In 2020, AHA was successful in getting awarded the state 4% tax credit for Liberty View. The construction will be complete in November 2022. In 2021, Peoria was awarded tax credits as well. Walden35 received a straight 4% deal. The CHFA had an unwritten policy that Aurora would get one award of tax credits in any competitive cycle per year. Due to this, staff had a discussion with CHFA regarding infrastructure, developers, and the growing need for affordable housing in Aurora. The final project AHA is working on is the permanent supportive housing project in partnership with Aurora Mental Health. The goal is to apply for a 9% tax credit award in February 2023 and build 40 units of permanent supportive housing.

Questions/Comments

CM Murillo thanks the AHA for their presentation. CM Medina questions how long the waitlist is to get into one of the complexes. Craig says they open the waitlist when vouchers are available. A notice would be posted and the waitlist would be opened. For properties, the lease up on the property will start three months before opening and before getting the temporary certificate of occupancy (TCO). Interested individuals will be contacted for the lease. Dayna adds that the tax credit program is income-based and people can apply to live in a building should they be within income thresholds. For Liberty View, AHA is already talking to veterans and families so they could start giving their information and be given direction if they are qualified to live on the property. Once the buildings are open, it would take two to three months to fully lease them. CM Medina asks if those on the waitlist are there permanently or if they get slated for a year. Craig says a lot of the waitlist process is mandated by HUD. After 12 months, the waitlist is cleared and reopens once more vouchers are available. This prevents individuals from being on the waitlist for years.

CM Marcano thanks the AHA for their presentation and asks what the city can do to help them build more housing. He mentions how he receives messages from individuals in the city who are scared of becoming homeless. Craig responds that he talked with Laura Perry about streamlining the developmental review process. He adds that having brokers help identify land parcels would be beneficial. He mentions that there will be \$500 million coming in from Colorado for new affordable housing and housing for those with mental health and substance use issues. He clarifies that having

streamlined processes, cooperation, and money will aid in building affordable housing. Dayna remarks that the biggest detriment is the competition with Denver and Boulder as they have bond programs and general fund dollars. She also suggests partnering with the faith community or other entities such as school districts to find land that they may be underutilizing. Craig says they could also look into moral obligation where if the housing authority defaulted on the loan, then the city could fill in. He mentions that they can explore other lines of credit to buy new buildings. He comments that if they are given land, it would take years before people can move in, unlike if they purchase ready units. Steve talks about the partnership with the Aurora@Home programs and the city partnerships for Youth Violence Prevention. He mentions that having more opportunities to work together to support residents and try to house individuals is the best way to benefit everybody. Craig also remarks that the partnership with Aurora@Home currently has a good framework, but it needs to be scaled up.

CM Murillo asks what the city needs to do internally to channel land acquisition strategies or city resources to support the strategies and the housing authorities. Craig mentions that they can use the market and work with brokers to identify and inventory parcels. He adds that the group working on the Windler Property has identified a parcel for AHA. Jessica comments that there is a robust strategy around land acquisition and land inventory. Two pieces of city-owned land were identified to go through an RFP process. She says that they engage in continued efforts such as having conversations with school districts and Restoration Christian Ministries regarding partnerships with their land. She adds that they can do ground lease agreements where the housing authority can be a partner in some deals. She highlights that they want to ensure affordability is distributed throughout the city. CM Murillo agrees that one district should not have a concentration of income-based housing. She suggests looking into condemned or nuisance properties including a nuisance motel that the police department is working on regarding criminal activity. She adds that they can explore the Motel Redevelopment Strategy and possible partnerships.

Outcome – Information Only.

City Land and Buildings in the Aurora Arts District

Summary of Issue and Discussion

Andrea Amonick, the Development Services/AURA Manager, presents this item. The strategy for redevelopment in the arts district began in the late 1990s - 2000 and included the approval of the Fletcher Plaza Urban Renewal Plan, in the area now known as the Arts District. There are three major components to this plan: including building a civic and cultural core, supporting arts organizations and individuals, and developing urban, residential, and new retail.

In 2012, City Council asked to relook at the strategy, and staff conducted extensive public outreach to update and determine priorities in the Colfax corridor. The outreach reconfirmed the public's

priorities in developing arts and entertainment uses and had jobs and economic development at the top, followed by reducing poverty and increasing cleanliness and safety. Following the study, the city amended the Fletcher Plaza Urban Renewal Plan.

There are seven city-owned properties and buildings in the district. First is the Fox Theater, which used to be a movie theater. The city purchased and renovated it for staff productions. It is now run by Library and Cultural Services. The second property is 1443-45 Elmira, which used to be leased to Catholic Charities and was run as a charitable donation center. Because of a deed restriction the property reverted back to the city. In 2012, it was proposed to be used for retail. However, it is now under Housing and Community Development to be used for low to moderate-income housing. The property will be demolished, and a developer found.

The third property is the Hornbein Building, which is a former library that went to Red Delicious Press through an RFP. Another building is 1468 Dayton Street, now known as Vintage Theater. It was purchased by a private developer in 2007 which turned the commercial building into a theater. It was originally leased out to Shadow Theater. However, they went bankrupt, and the successor company moved to Denver. Vintage Theater then purchased the building. The city then purchased the building and retained Vintage as the tenant and retained the arts use. Vintage Theater is now requesting to buy the building back.

The fifth building is the People's Building at 9995 Colfax Avenue. It was formerly People's Rent-to-Own. The city purchased the building with the intent of turning it into a multi-use arts facility. It cost \$2.5 million to purchase and renovate the space. The building hosted 211 events and 9,300 visitors in 2019. After the beginning of the pandemic, the curator initiated a shift to virtual events. It then hosted 165 events and 8,400 visitors in 2020, and 270 events with 8,500 in-person visitors and 21,000 virtual visitors in 2021. Through the city's ownership, the venue became one of the most cost-effective venues for artists in the area. Aurora's ownership allows subsidies to be offered to Aurora's artists and groups by giving them discounts to rent the space. The sixth building is the Music City Building. It was leased by Real Property for 15 years to a piano and organ dealer known as Music City. Following their closure, a contractor looked at the building and evaluated that it needed \$750,000 for renovations in 2018, now estimated to be over \$1 million. Staff worked with Wend Foundation for redevelopment, but after the pandemic the foundation's direction changed and they left Aurora in early 2022. Staff suggested issuing an RFP for sale or lease of the space for other uses and bringing more activity downtown. This would then meet the goal of creating a civic core. The building's estimated value "as is" is approximately \$350,000 to \$600,000 but will be confirmed by an appraisal.

The seventh building is 1400 Dallas Street Art Center and Gallery. This was the first building used to support the Arts District Strategy. It was sold for \$1 to The Other Side Arts through an RFP. Later on, they couldn't manage the staff and building so the city offered to settle the loan and have the building back. In 2013, another RFP was issued, and the management was awarded to Aurora Cultural Arts District Organization (ACAD) for a five-year lease term which ended in 2019. At the

end of the lease, the city decided to make repairs to the building. Currently, there has been \$180,000 worth of renovations to the building and staff are currently in the process of bringing in artists before the building was vacated for more renovations. Temporary use agreements have been sent with the objective of stabilizing the building's occupancy. The city has also been successful in getting another grant for a matching amount of \$190,000. As a result, there would be another round of renovations. Once these are complete, the building could be put out for RFP to be managed or sold.

Questions/Comments

CM Murillo asks if there was a timeline on the buildings that were open to disposition. Andrea replies that they recommend renovating the 1400 Dallas Street building first in order to make renovations that are aligned with the strategy, such as studio space improvements and energy efficiency. The property can then be put out for RFP in the beginning of 2023. It would be ready within six months if the RFP process were successful. She adds that Council must decide whether to sell the building or put out the management. The Music City Building, on the other hand, can be ready to be disposed of within the next 12 months and the RFP process can begin early in 2023. Andrea says the process can already be started. She adds that there are ways to structure a sale or partnership to develop the building such as subsidizing the purchase price so the developer can spend more on renovations. This would require policy direction. CM Murillo asks when Council would get engaged with these conversations. Andrea replies that they can have a second round of discussions around these two buildings to see if Council would prefer to follow the recommendation of the staff or pursue a different direction after requesting proposals and looking at their options. She says that further information and proposals could be provided for both scenarios including buying the building or leasing it for management. CM Murillo proposes there should be part two of discussions in more detail for these two buildings, at the next meeting.

CM Marcano says the city should not sell its assets. He adds that he would not support such an option but would rather the city lease the buildings to keep them under its control. He mentions that acquiring and aggregating land is how a lot of cities have successfully redeveloped neighborhood centers and that the city shouldn't be looking to sell public land; if anything, they should be looking to acquire more. CM Murillo prefers to see all options around the sale or management of the buildings to have all perspectives on the issue. She mentions that they may be able to engage with organizations such as Community Wealth Building Network.

Outcome – The Committee decided to have additional discussions regarding possible options for the properties presented.

Emergency Rental Assistance Update

Summary of Issue and Discussion

Alicia Montoya, the Community Development Manager, presents the update on emergency rental assistance. This program is for individuals that have been having hardship paying their rent related

to COVID reasons. The requirements are 80% area median income, COVID related, the lease has to be in place, and the property has to be in the city of Aurora. They also ensure that the applicants do not receive double funding from other organizations such as the counties or the Department of Local Affairs (DOLA). So far, two rounds of rental assistance have been done. For the first round, \$9.5 million was distributed and it had about 110 applicants. The second round included \$4.6 million and staff received 826 applicants. The application system has been frozen and have stopped taking applications because the funding had been running out. In addition, applications being received are not necessarily related to loss of income due to COVID. There are concerns about the program's integrity due to a rise in fraudulent applications. So far, the city has administered \$14.7 million in Emergency Rental Assistance. Due to staff turnover, only one person is processing over 50 applications that are still pending. The remaining applications are expected to be processed in September. They are also looking to administer a new program for mortgage payment assistance.

The Emergency Mortgage Assistance Program has been awarded \$1.75 million and the agreements are being wrapped up. This program will focus on individuals experiencing hardships due to COVID and will prevent foreclosures. Updates are posted on the website to inform residents that applications are no longer being received. There are also conversations with DOLA and other counties to make sure there is a plan should people still need rental assistance. Reporting for the first phase had been done and reporting for the second phase is being wrapped up.

Questions/Comments

CM Marcano expresses concern that phasing out this program might leave people vulnerable when Aurora had been the eviction capital of Colorado even before the pandemic. He asks if a plan was in place given the ongoing affordability crisis in the city. Alicia replies that there are conversations being had with DOLA and different counties to address these issues. She adds that DOLA has \$40 million in funding they have left to administer. Since there is other assistance available throughout the state, the city is focusing on addressing foreclosures. Jessica adds that there are other ways for people to apply for help like the Aurora Flex Fund, which is funded with marijuana funds. This does not need to be COVID-related and it addresses eviction prevention and downpayment assistance.

Outcome – Information only.

Camping Ordinance/Homeless Services Update

Summary of Issue and Discussion

Information on this item is provided in the backup.

Outcome – Information only.

MISCELLANEOUS MATTERS FOR CONSIDERATION


None.

Updates from Community Members

None.

Next meeting: Thursday, October 6, 2022, at 10 a.m.

Meeting Adjourned: 11:48 a.m.

APPROVED: 
Crystal Murillo (Oct 8, 2022 08:35 MDT) Oct 8, 2022

Committee Chair, Crystal Murillo