### **AGENDA**



Housing, Neighborhood Services and Redevelopment Policy Committee

# Thursday, April 6, 2023, 10:00 a.m. VIRTUAL MEETING City of Aurora 15151 E Alameda Parkway

### **Public Participation Dialing Instructions**

Dial Access Number: 1.408.418.9388 | Access code: 2493 730 5453 | Event password: aurora | This meeting will be live-streamed city's YouTube channel. Watch at YouTube.com/TheAuroraChannel.

Council Member Crystal Murillo, Chair Council Member Juan Marcano, Vice Chair Council Member Alison Coombs

The Housing, Neighborhood Services and Redevelopment Policy Committee's goal is to:

- Maintain high quality neighborhoods with a balanced housing stock by enforcing standards, in relation to new residential development, and considering new tools to promote sustainable infill development;
- Plan for redevelopment of strategic areas, including working with developers and landowners, to leverage external resources and create public-private partnerships

**Pages** 

1

- 1. Call to Order
- 2. Approval of Minutes
  - 2.a March 2, 2023
- 3. Announcements
- 4. New Items

# 4.a Affordable Housing Funding Recommendations- David Paul Rosen & Associates

City of Aurora – David Paul Rosen & Associates – Aurora Housing Strategy Initial Recommendations

Presentation Time: 30 Minutes

### 5. Miscellaneous Matters for Consideration

### 5.a Updates From Community Members

### 6. Adjournment

## HOUSING, NEIGHBORHOOD SERVICES & REDEVELOPMENT POLICY COMMITTEE

March 2, 2023

Members Present: Council Member, Chair Crystal Murillo

Council Member, Allison Coombs

Others Present: Mattye Sisk, Adrian Botham, Tim Joyce, Andrew Rael-Trujillo, Angela

Garcia, Emma Knight, Sandra Youngman, Alicia Montoya, Emily Fuller, Andrea Amonick, Jessica Prosser, Jennifer Orozco, Daniel Brotzman, Bianca Lopez, Joseph DeHerrera, Jeff Hancock, Sarah Carroll, Scott Campbell, George Koumantakis, Omar Lyle, Saadia Aurakzai-Foster, Michael Bryant, Spencer Christian, Jad Lanigan, Jacquelyn Bayard,

Austin Burdette, Daniel Krzyzanowski

### WELCOME AND INTRODUCTIONS

Council Member Murillo welcomes everyone to the meeting.

#### **MINUTES**

February 2, 2023 minutes are approved.

### **ANNOUNCEMENTS**

None.

### **NEW ITEMS**

### City of Aurora – Civitas-HOME-ARP Allocation Plan Draft

### **Summary of Issue and Discussion:**

Alicia Montoya, Manager of Housing and Community Development, presents this item. The City of Aurora awarded \$4.1 million in HOME American Rescue Plan (ARP) funds as a one-time allocation to assist individuals or households experiencing homelessness, risk of homelessness, and other vulnerable populations by providing affordable housing, rental assistance, supportive services, and non-congregate shelter. A plan to define use of these funds is being developed within Housing and Urban Development (HUD), and the funds will be made available for HUD activities once the HOME ARP plan, public participation process, and HUD approval are completed. A consulting firm, Civitas, was hired to help implement the plan and organize community involvement to receive HUD approval.

Jessica Prosser, Director of Housing and Community Services, adds that this plan has been a part of a consistent stack of about \$25 million of leveraging funding for the homeless navigation campus.

Spencer Christian presents Civitas's work with HUD regarding the HOME-ARP Allocation Plan. Civitas completed a data-analysis and stakeholder consultations required community needs assessment for HUD's one-time allocation of \$4.1 million to the city. The qualifying populations under the CPD notice for whom these grant funds can serve are homeless, at risk of homelessness, those fleeing domestic violence or human trafficking, and other populations. Other populations

defined as those who were previously homeless and are now housed but need continued assistance, and that are at the severe cost burden level and making below 30% area median income. Eligible activities the grant covers include: Affordable Rental Housing Development, Non-Congregate Shelter (NCS) Development, Tenant-based Rental Assistance (TBRA), and Support Services Activities.

- Affordable Rental Housing Development
  - o Eligible costs:
    - Acquisition
    - Construction costs
    - Rehabilitation of rental housing.
  - Eligible cost development:
    - Hard and soft costs
    - Relocation expenses
    - Some of the operating costs for assistance and reserves
- NCS Development
  - o Eligible costs:
    - Acquisition
    - New construction
    - Rehabilitation
  - Eligible cost development:
    - Hard soft cost and acquisition
  - o Ongoing operating costs of NCS cannot be paid for with HOME ARP funds
- TBRA
  - o Eligible costs:
    - Rental assistance
    - Utility cost
    - Security deposits
  - Similar to the HOME program, however, tenants can receive up to 100% of rent and utility costs
  - o Being that the assistance is tenant-based, it is tied to the tenant, not the household
- Support Services Activities are divided into three categories
  - Direct homeless supportive services
    - Eligible costs:
      - Outreach services
      - Mental health services
      - Childcare
      - Food and case management
  - Homeless prevention
    - Eligible costs:
      - Outreach services
      - Mental health services
      - Childcare
      - Food and case management
  - Housing counseling
    - Eligible cost:

- Staff that provide these services
- Meant only for rentals and life skills needed for housing
- Cannot go towards home purchase nor first time home buyer assistance or counseling

Civitas surveyed and interviewed qualifying populations and found the lack of rental housing and supportive services are major needs. Stakeholders and eligible populations were surveyed and interviewed asking if the city would benefit from a non-congregate shelter. 61.5% voted "Yes," 38.5% voted "Unsure," and 0% voted "No." Rankings of how funds should be used were spread evenly across the four eligible activities. Ranking eligible services showed Landlord/Tenant Liaisons and Substance Abuse Treatment Services to be the two highest needs, respectively, with Homeless Prevention and Mental Health Services tying for third.

Spencer says the updated budget has 90% (a total of \$3.7 million) of the allocation going towards development of Non-Congregate Shelter and 10% with a cap of 15% (a total of \$414,971) of the allocation going to administration and planning.

### Questions/Comments

CM Coombs asks how the navigation campus model defines non-congregate sheltering since the model it is based off of, Springs Rescue Mission, includes a large portion of congregate shelter. Jessica says the facility will likely provide both congregate and non-congregate shelter, with the \$4.1 million the grant provides out of the estimated \$55 million for the overall construction going to the smaller non-congregate portion.

Alicia and Sarah Carroll share that recommendations are live on the website. They are receiving customer and community feedback until March 16. Afterwards, the recommendations will be made final and they can move forward with allocating the funding.

Outcome – This item is informational only.

# <u>Chapter 94-107 Disturbing the Peace/Unnecessary Noise Draft Ordinance Change and Analysis for a Pilot Program</u>

### **Summary of Issue and Discussion:**

Sandra Youngman, Manager of Neighborhood Support, presents this analysis. After working with the budget office, it was found that a onetime cost of \$177,000 would be needed for Code Enforcement Officers to acquire radios, noise meters, vehicles, body worn cameras, and uniforms in order to respond to noise complaints. Another one time cost of \$462,000-\$463,000 would be needed for staffing. This totals \$640,000.

If this program was implemented, the Code Officers responsible for enforcing this ordinance would respond to calls, monitor 911 dispatch to listen for the noise, disturbing the peace or noise calls, and then respond accordingly if it fell into their purview. They would also be expected to follow up on the research investigation if a summons would be issued and court follow up.

If the pilot program is unsuccessful, the radios would be transferable to police and could be assimilated into their inventory.

Jad Lanigan, Division Chief with Aurora Police Department (APD), expresses concerns about Code Officers going out after hours without police assistance to parties where alcohol or drugs could be present since they do not have the same level of training as police. Chief Lanigan is also concerned that, according to the ordinance, if someone who agrees to file charges and stand as a witness does not show up in court, they cannot stand in court in a future complaint. He says defining probable cause after the fact is difficult with just video and there is confusion as to whom the summons is issued.

### **Questions/Comments**

CM Murillo asks for further information about the witnesses. Chief Lanigan explains that the ordinance says "any witness who fails to testify at a trial on an unreasonable loud or unnecessarily loud noise complaint shall not be considered as a witness willing to testify at trial for any subsequent, unreasonably loud, or unnecessarily loud noise complaint." Currently, no infrastructure exists for APD to track court no-shows for unreasonably loud or unnecessarily loud complaints. CM Murillo, Sandra, and Jad agree to discuss this further with CM Marcano.

<u>Outcome</u> – This item is informational only.

### MISCELLANEOUS MATTERS FOR CONSIDERATION

None.

### **Updates from Community Members**

Joseph Deherrera, Manager of the Youth Violence Prevention Program, presents an update about the notice of funding opportunity (NOFO) for Youth Violence grants which goes live March 6 and will be open until March 31. Joseph will share a link with Council so they can share with their networks as appropriate. Joseph also introduces Austin Burdette, the program Data Analyst, who started on Monday.

Saadia Aurakzai-Foster, Manager of Community Engagement, shares that the Dream Big Bronco Youth Funding surveys went out ten days ago. Rachel Whipple is leading the effort with the Community Engagement team and has already received over 110 survey results. The team is surveying community groups, preschools, recreation centers, schools, and anywhere families and kids attend, asking where people would like to see money being used in our community. The survey is live and on social media sites.

Next meeting: 4	1/6/2023	
Meeting Adjour	rned: 10:38 AM	
<i>9</i>		
APPROVED:		
	Committee Chair Crystal Murillo	



# **CITY OF AURORA**Council Agenda Commentary

Item Title: Affordable Housing Funding Recommendations	s- David Paul Rosen & Associates
Item Initiator: Jessica Prosser, Director of Housing and Co	ommunity Services
<b>Staff Source/Legal Source:</b> Alicia Montoya, Community De Development Supervisor / Tim Joyce, Assistant City Attorn	
Outside Speaker: Nora Lake-Brown / David Paul Rosen & A	Associates
Council Goal: 2012: 4.0Create a superior quality of life for res	idents making the city a desirable place to live and work
COUNCIL MEETING DATES:	
<b>Study Session:</b> 5/15/2023	
Regular Meeting: N/A	
2 <sup>nd</sup> Regular Meeting (if applicable): N/A	
Item requires a Public Hearing: $\Box$ Yes $oxedsymbol{\boxtimes}$	] No
ITEM DETAILS (Click in highlighted area below bullet point list t	to enter applicable information.)
City of Aurora – David Paul Rosen & Associates – Au Presentation Time: 30 Minutes	urora Housing Strategy Initial Recommendations
ACTIONS(S) PROPOSED (Check all appropriate actions)	
$\square$ Approve Item and Move Forward to Study Session	$\square$ Approve Item as proposed at Study Session
$\square$ Approve Item and Move Forward to Regular Meeting	$\hfill \square$ Approve Item as proposed at Regular Meeting
☑ Information Only	
Approve Item with Waiver of Reconsideration Reason for waiver is described in the Item Details field a	above.
PREVIOUS ACTIONS OR REVIEWS:	
<b>Policy Committee Name:</b> N/A	
<b>Policy Committee Date:</b> N/A	
Action Taken/Follow-up: (Check all that apply)	
☐ Recommends Approval	☐ Does Not Recommend Approval
Forwarded Without Pecommendation	☐ Pecommendation Penort Attached

☐ Minutes Attached ☐ Minutes Not Available
<b>HISTORY</b> (Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)
The City of Aurora's housing priorities are established in the adopted <u>Housing Strategy</u> and guided by six policies informed by best practices and extensive community input. In September 2022, the City of Aurora entered a contract with David Paul Rosen & Associates ("DRA") to expand the Housing Strategy and provide the City with additional information and opportunities to improve our programs and efforts to address the housing shortage currently being experienced. DRA is providing feedback on new policies, objectives, ordinances, and efforts the City can adopt to make affordable housing more attainable with current resources, as well as a providing opportunity for additional resources the City is not currently tapping into resources that can increase funds available for our development efforts.
Timeline:
<ul> <li>Initial recommendations presented to HORNs on April 6, 2023.</li> <li>Presentation of recommendations to Study Session requesting approval of item on May 15, 2023.</li> </ul>
ITEM SUMMARY (Brief description of item, discussion, key points, recommendations, etc.)
The City of Aurora received a grant from the Colorado Department of Local Affairs to pay for an Innovative Housing Strategies: Planning Grant Program (IHOP). The Colorado Department of Local Affairs (DOLA), with funding from HB21-1271, offers state assistance to local governments to promote the development of innovative affordable housing strategies in a manner that is compatible with best local land use practices. HB21-171 creates three new programs:
<ul> <li>Affordable Housing Development Incentives Grant Program ("Incentives Grant Program")</li> <li>Local Government Planning Grant Program ("Planning Grant Program")</li> <li>Affordable Housing Guided Toolkit and Local Officials Guide Program ("Toolkit Program")</li> </ul>
The City of Aurora was awarded the grant to address the "Planning Grant Program" and is utilizing the funds with the assistance of a consultant, David Paul Rosen & Associates.
David Paul Rosen & Associates provided a written document with several recommendations that the City can focus on to increase the funding and other resources available to address the housing shortages we are currently facing withing the City of Aurora. These recommendations include:
<ul> <li>Income Targeting – Land and financial resources in Aurora should be primarily targeted to household in the greatest need, which is renter households earning less than 50% of Area Median Income (AMI).</li> </ul>
<ul> <li>Inclusionary Housing – Explore the adoption of an inclusionary housing ordinance requiring developers to set-aside a percentage of new owner and renter units as affordable to low- and/or moderate-income homebuyers.</li> </ul>
<ul> <li>New Financial Resources – Adopt new financial resources, such as an affordable housing nexus fee, to help the City to increase the production of affordable housing in Aurora.</li> </ul>
<ul> <li>Housing Trust Fund – If new revenue sources for affordable housing are adopted by the City, create a Housing Trust Fund as a dedicated, annually renewable source of funding for affordable housing.</li> </ul>
• Use of City-Owned Sites for Affordable Housing Development – Provide long-term ground leases for
City-owned property suitable for affordable housing developments to qualified developer of affordable multifamily housing to provide permanently available affordable housing units.
<ul> <li>Leverage Assumptions – The City should maximize the leverage of local land and financial resources through the use of non-local sources but should be realistic in its leverage assumptions.</li> </ul>
<ul> <li>Specialized Housing Types – The City should target the majority of its development assistance (financial and regulatory) on affordable rental housing for families rather than specialized housing types (e.g., tiny homes).</li> </ul>

### **FISCAL IMPACT**

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

□ Revenue Impact	□ Budgeted Expenditure Impact	□ Non-Budgeted Expenditure Impac

☐ Workload Impact	
<b>REVENUE IMPACT</b> Provide the revenue im Provide additional deta	npact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? iil as necessary.)
N/A	
	<b>DITURE IMPACT</b> expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget shift existing budget away from existing programs/services? Provide additional detail as necessary.)
N/A	
Provide the non-budge	<b>XPENDITURE IMPACT</b> eted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include plies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)
N/A	
	CT mpact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are ers and types of positions, and a duty summary. Provide additional detail as necessary.)
N/A	

### **QUESTIONS FOR COUNCIL**

Does Council support the information presented at HoRNs to be moved forward and be presented at Study Session?

### **LEGAL COMMENTS**

This item is informational only. There is no formal council action necessary.

The City Manager shall be responsible to the Council for the proper administration of all affairs of the city placed in his charge and, to that end, shall have the power and duty to make written or verbal reports at any time concerning the affairs of the City. (City Charter, Art. 7-4(e)). (TJoyce)



# Housing Needs Assessment Updates

Alicia Montoya – Housing and Community Development Manager Housing and Community Services April 6, 2023

## **Background**

## 1. Housing Strategy

STRATEGIES CREATE A HOUSING IDENTIFY AND SET ASIDE PUBLICLY WAIVE OR REDUCE DEVELOPMENT PROVIDE INFRASTRUCTURE IMPROVEMENTS S.2 S.3 S.4 TRUST FUND FEES UP TO AN ANNUAL AMOUNT OWNED LAND FOR MIXED-INCOME TO MANUFACTURED HOME PARKS PARTNER IN THE DEVELOPMENT OF AN DEVELOPMENT A RECRUITMENT STRATEGY PARTNER IN THE DEVELOPMENT PILOT INNOVATIVE HOSUING FOR EXECUTIVE OWNERSHIP HOUSING AND AFFORDABLE HOUSING UNIT/RENTER S.8 PROJECTS FOR RENTAL & OF A HOME SHARE PROGRAM MATCHING SOFTWARE PROGRAM HIGH-END RENTAL HOUSING HOMEOWNERSHIP IMPLEMENT NEIGHBORHOOD IDENTIFY POTENTIAL AMENDMENTS TO STREAMLINE RENTAL INSPECTIONS IMPLEMENT CHANGES TO STAFFING S.10 AND AREA PLANNING FOR AFFORDABLE HOUSING OR ORGANIZATION INITIATIVES PRODUCTION OF AFFORDABLE HOUSING PROVIDERS AND TENANTS

### 2. DOLA Grant

- Planning Grant Program/HB21-1271
- 25% Match
- Innovative Affordable Housing Strategies

### 3. David Paul Rosen & Associates

- Updates
- Work in Progress





# Affordable Housing Strategy Findings and Observations

## **City of Aurora HORNS**

April 6, 2023



3527 Mt. Diablo Blvd., #361 Lafayette, California 94549 tel: 510.451.2552 fax: 510.451.2554 admin@draconsultants.com www.draconsultants.com10















- Why Aurora should pursue additional revenue/techniques to increase affordable housing production
- Describe and assess available options and alternatives
- Review other recommendations to assist with affordable housing production and preservation













Aurora Current Production Capacity



Potential New Resources to Increase
 Affordable Housing Production



Other Recommendations















- Market-rate owner housing is produced at costs affordable to households at 100% AMI (\$112,000, family of four) and up
- Market-rate rental housing is produced at costs affordable to households at 80% AMI (\$89,000, family of four) and up















- Need for 7,500 rental units for HH earning less than \$25,000 per year (2020 Housing Strategy)
- 12,000 renter HH at 50% AMI (appx. \$58,000 for family of four) pay more than 50% of their income for rent (2019 HUD CHAS data)













# **Affordable Housing Production**

- Aurora has been successful in leveraging its limited financial resources to maximize production of affordable rental units.
- Greatest leverage is provided for affordable rental housing serving households from 30% to 80% of AMI through LIHTCs and taxexempt PABs.













# New Construction Rental, Tax-Exempt PAB and 4% LIHTC Typical Sources

	W/O State	With State	
	Credits	Credits	PSH
First Mortgage/PABs	\$154,000	\$126,000	\$38,000
Federal Tax Credit Equity	\$114,000	\$152,000	\$209,000
State Tax Credit Equity	\$0	\$45,000	\$59,000
City of Aurora	\$9,000	\$13,000	\$28,000
CDOH	\$19,000	\$21,353	\$23,000
Other State/Local/Private			
Subsidy	\$30,000		\$14,000
Deferred Developer Fee	\$11,000	\$16,673	\$17,000
Owner Funds/Other	\$26,000	\$2,837	\$45,000
Total Sources/Costs	\$363,000	\$376,863	\$433,000









**HOME funds**: \$1.1M assists about 70 tax credit units per year at \$15,000 average subsidy



**PAB cap**: \$23.5M (2023) assists about 150 tax credit units per year at \$150,000 per unit average bond amount.



**City-Owned sites**: 3 sites, 10.43 acres, about 626 MF rental units at 60 dus/acre







# **Leveraged Financing Sources**



**CHFA PAB Bond Cap**: very competitive, allocations receive 4% tax credits



**State Tax Credit:** extended in 2018 for five more years through 2024 at \$30M per year



**CDOH**: Recent Aurora projects have received an average of \$20,000 per unit



Statewide Affordable Housing Fund (108): \$270M in FY 2023/2024





# Revenue Sources/Techniques to Increase Affordable Housing Production









		Owner	Renter
Incentive Zoning Ordinal	nce		
Inclusionary Housing Ord	dinance		
Fee Waivers for Afford. H	lousing		
Residential Linkage Fee			
Non-Residential Linkage			
Real Estate Transfer Tax			
Excise Tax			
<b>Dedicated Sales Tax</b>			
<b>Dedicated Property Tax</b>			

Impact		
High		
Medium		
Low		













# Potential New Affordable Housing Revenue Sources/Production Strategies

	Incentive Zoning Ordinance	Inclusionary Housing Ordinance (1)	Fee Waivers for Affordable Housing	Residential Nexus Fee (2)	Non-Residential Nexus Fee	Real Estate Transfer Tax	Excise Tax	Dedicated Sales Tax (3)	Dedicated Property Tax (4)
Stakeholders Impacted	* Market-rate residential and non- reidential (i.e.office) developers	* Market-rate residential developers	* Affordable residential developers	* Market-rate residential developers	* Non-residential developers	*Residential and non- residential real estate		* Residents * Visitors * Businesses	Real estate owners
	* Aurora already provides density and parking incentives for afford hsg in UDO and doesn't have sufficient office demand	*Does not rely on local or leveraged revenue sources. *Can provide housing at low and moderate income levels.	*Reduced funding for needed capital improvements * Requires funding screen reimburse affected jurisdictions (i.e. water, sewer)	*Can be used to address workforce housing needs	*Broadens burden to wide variety of land uses *Can be used to address workforce housing needs	* Requires voter approval	* Revenue generated at pace of development * Requires voter approval	* Requires voter approval	* Requires voter approval
Alternative Compliance Options	*Payment of in lieu fee	* in lieu fee payment * land dedication * offsite construction * MF acquis/rehab		* construct affordable units * land dedication	* construct affordable units				
Examples of Jurisdictions Where Its Used	Denver, CO Boulder, CO Cambridge, MA San Jose, CA	Denver, CO Boulder, CO Cambridge, MA San Jose, CA		Denver, CO Boulder, CO Sacramento, CA Oakland, CA	Denver, CO Boulder, CO Cambridge, MA Sacramento, CA Oakland, CA	Aspen, CO Los Angeles, CA Winter Park, CO	7 jurisdictions in the State of Oregon	Aspen, CO Washington State jurisdications	Denver, CO Boulder, CO Cambridge, MA Fairfax Co, VA Seattle, WA
Typical/Range of Requirements/ Assessments	*CA density bonus: 5% to 50% bonus for 20% to 44% affordable units (5)	10% to 20% of units affordable at 50%- 60% AMI for renters and 80%-120% for owners	\$20,000 per unit for sewer/water tap fees		\$0.90 to \$30 per sqft	1% of purchase price over specified threshold	Up to 1% of permit value on residential and no cap on commercial/ industrial	0.2% to 0.5%	.15 mills to 30 mills
Annual Production Potential for Aurora		166 SF units and 148 MF units @ 10% req't in Aurora	funding	\$4.5M in annual revenue at fee of \$1.00 per sqft	N/A (non-resid sqft not available)			\$4.5 M in annual revenue at 0.5% increase	\$600,000 annual at 0.10 mills





## **Other Recommendations**









			Owner	Renter
Rental	Preservation			
Owner	Acquisition			
Use of	City-Owned Land			
Interna	l/External ADUs			
Unrela	ted Parties Rule			
Term o	f Affordability			
Ground	d Lease City-Owne	d Sites		
Constru	uction Defects Refe	orm		
Propert	y Tax Exemption			

lmį	pact
High	
Medium	
Low	



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