

WELCOME

COLORADO RURAL HOUSING PRESERVATION ACADEMY

Session 1, Topic 1:
The Housing Landscape
in Rural Colorado

VIRTUAL MEETING

May 5, 2020



Housekeeping Notes

- This webinar is being recorded, and all audience members are muted as they log in
- Please use the **Chat Feature** to submit questions during the presentation
- After the presentation, we will open up the lines for Q&A by using the **Raise Hand Feature**
- All participants will receive a copy of today's webinar recording and PowerPoint slides
- Please be patient with technical difficulties

AGENDA

10:00

Welcome and Introductions

10:15

Overview of Colorado Housing Stock

10:45

What do we need to be considering across the state related to Covid-19?

11:00

Break

11:05

CHFA's preservation database

11:45

Questions and Wrap up





OUR COMPASS

VISION AND MISSION

OUR VISION: One day every person will have an affordable home in a vibrant community, filled with promise and the opportunity for a good life.

OUR MISSION: To create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities.

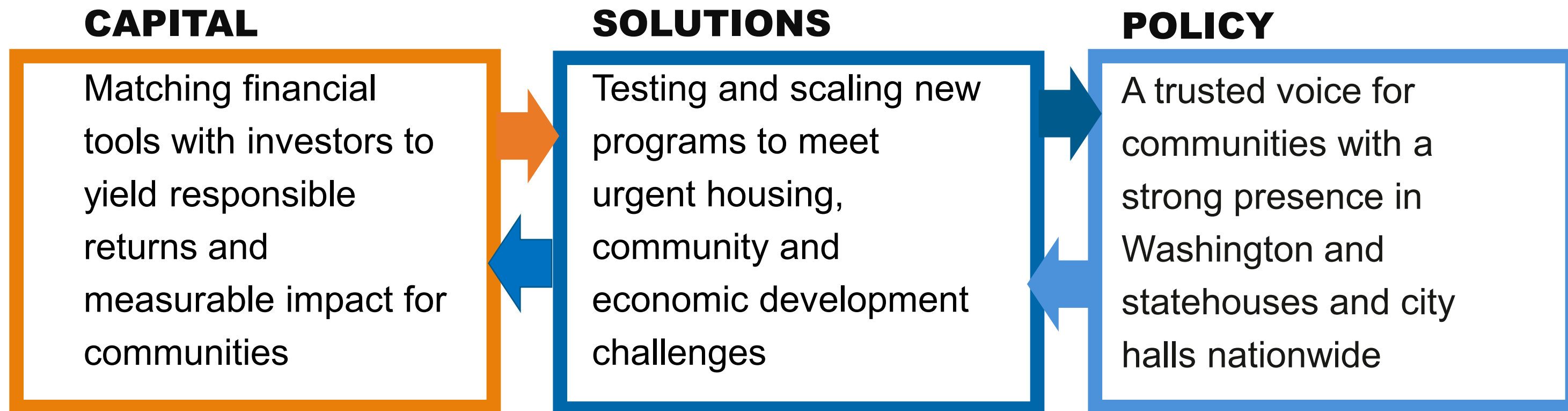
HOW WE WORK

ORGANIZED FOR IMPACT

What sets us apart is how we work together

Tackling all aspects of systems change, we make a difference in communities.

As we convene and collaborate with nationwide partners, our impact grows.



WHAT WE DO

COLORADO RURAL HOUSING PRESERVATION ACADEMY

- A series of no-cost training and peer learning sessions designed to help rural housing providers and nonprofits acquire and/or preserve affordable housing in rural Colorado
- Ultimate goal is to preserve affordable housing options for low-income rural populations in the state.

SESSIONS:

- Overview & Introduction to Rural Rental Housing and Preservation
- USDA Rural Development Transfer Process and Development Rehabilitation
- Preservation Financing and Deal Structuring
- Supportive Policy
- Buyer/Seller Conference
- Financing and Deal Structuring Part 2
- Property Management



RURAL HOUSING
PRESERVATION
ACADEMY



Overview of Rural Housing Data and Stakeholder Input

May 5, 2020
10 a.m. - 12 p.m., MDT



COLORADO
Department of Local Affairs

2019 Affordable Housing Legislation

- HB19-1322 and HB19-1245 both added significant funds for affordable housing development
- Potentially could triple DOLA's funds available for acquisition, rehab and new construction of affordable units
- Provides more development technical assistance, especially in rural Colorado
- COVID-19 adds uncertainty to the funding streams for next few years



New Uses to Address Rural Housing Needs

- Development of for-sale homes in non-urban areas for households earning up to 120% ami
- Down payment assistance for households up to 100% ami
- Home rehabilitation programs
- Repair, replacement and disposal of mobile homes
- Land acquisition and infrastructure costs for housing

DOH will also increase regional staffing and deploy consultants to provide rural technical assistance



Stakeholder Engagement

- HB19-1322 required DOH to consult with:
 - Stakeholders from rural and urban communities
 - Representatives from populations of different income levels
 - Representatives from populations with diverse housing needs



Stakeholders Engaged: 868



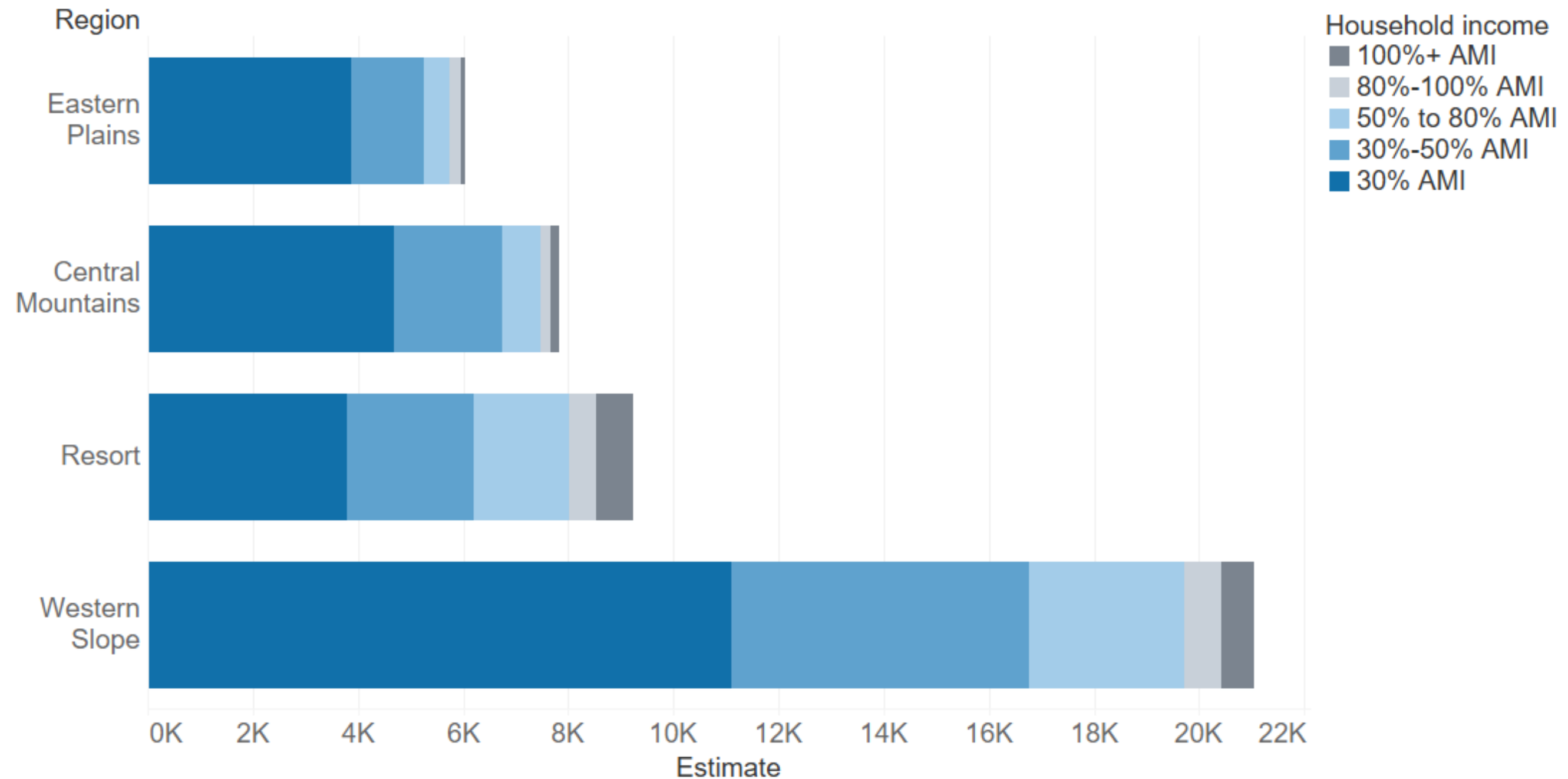
Common Themes Across the State

- Affordable Housing is a huge challenge everywhere
- Need for missing middle, workforce housing
- Need for tailored solutions for populations with specific barriers to obtaining housing
- Mobile home parks are disappearing or becoming unaffordable
- NIMBY-ism and zoning are hindering affordable housing development



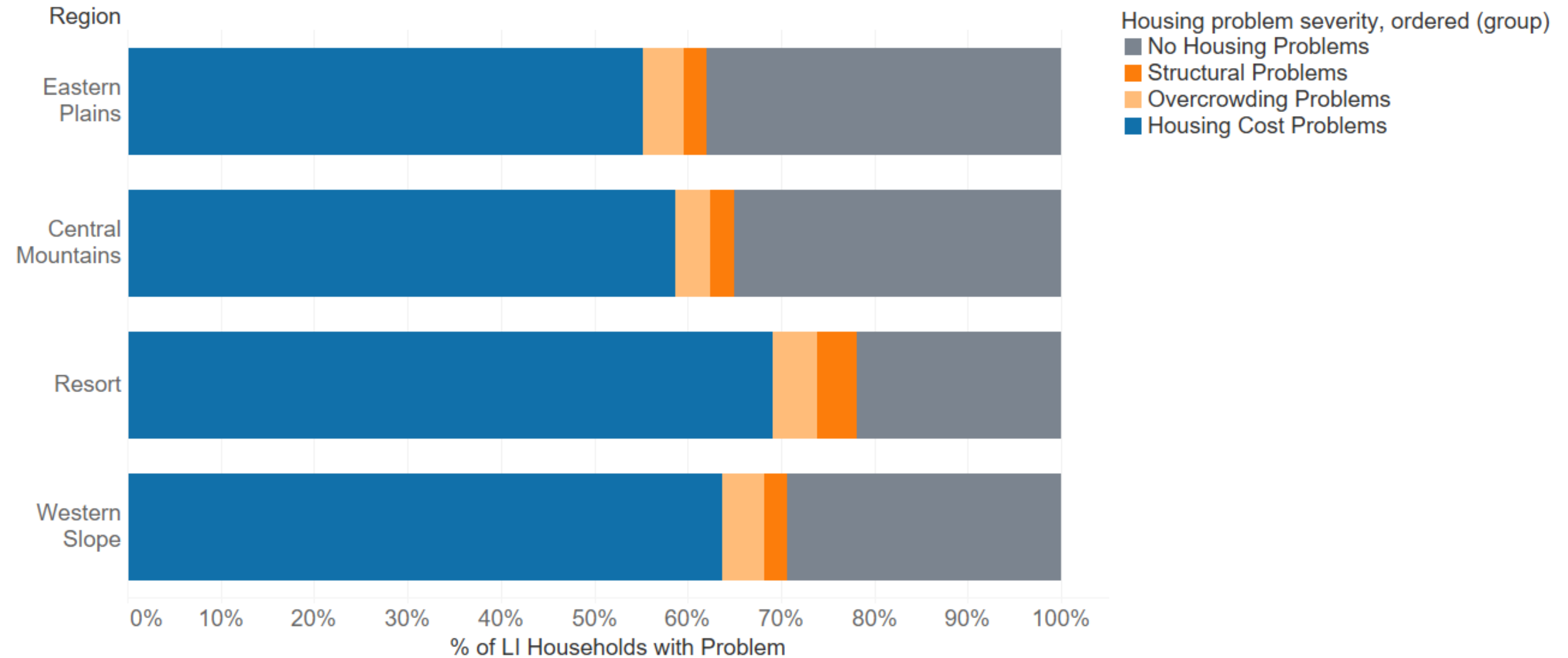
Rural Overview - Cost Burden:

Severely Cost Burdened Households by Region and AMI (2012-2016 HUD CHAS Estimates)

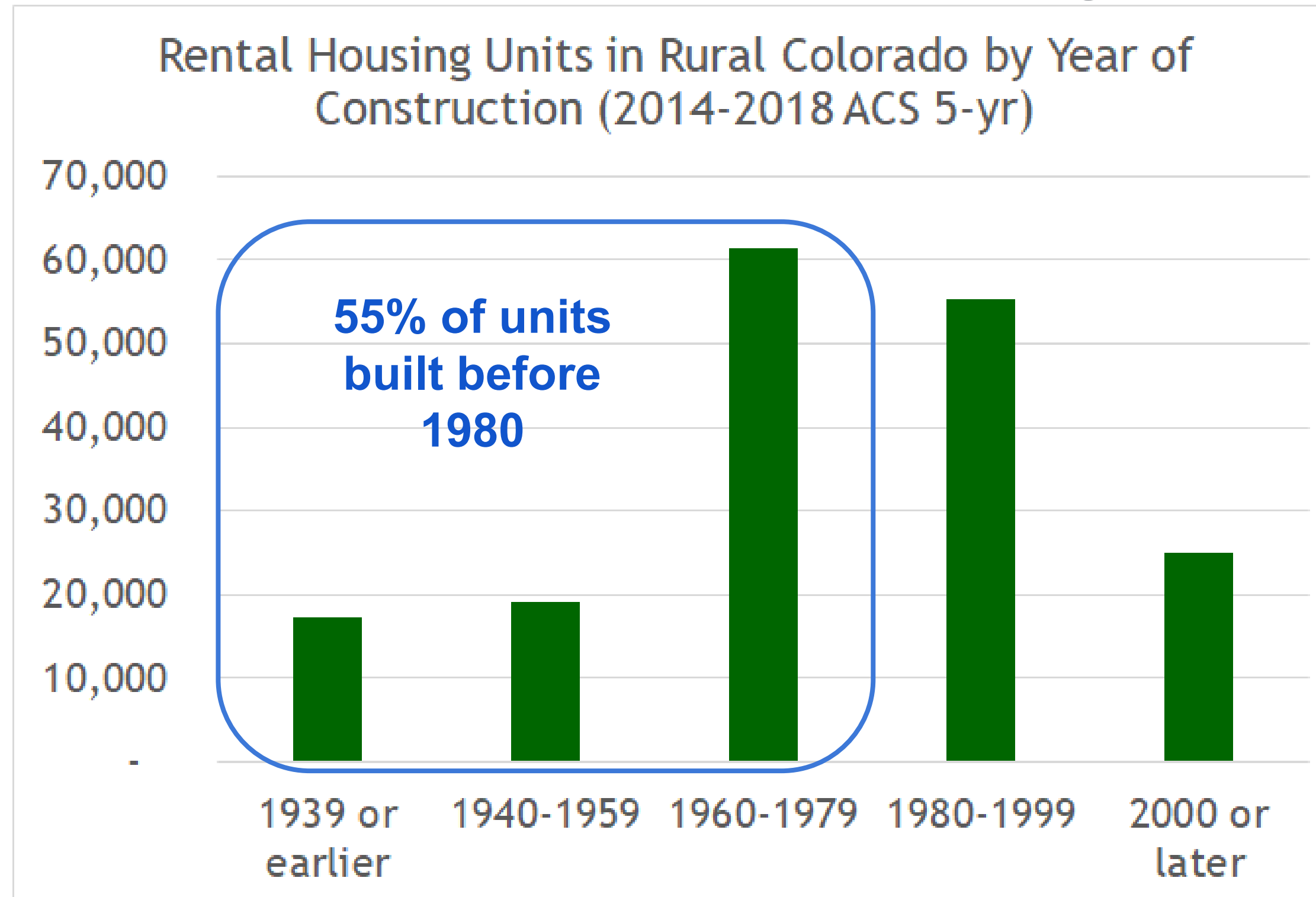


Rural Overview - Housing Problems:

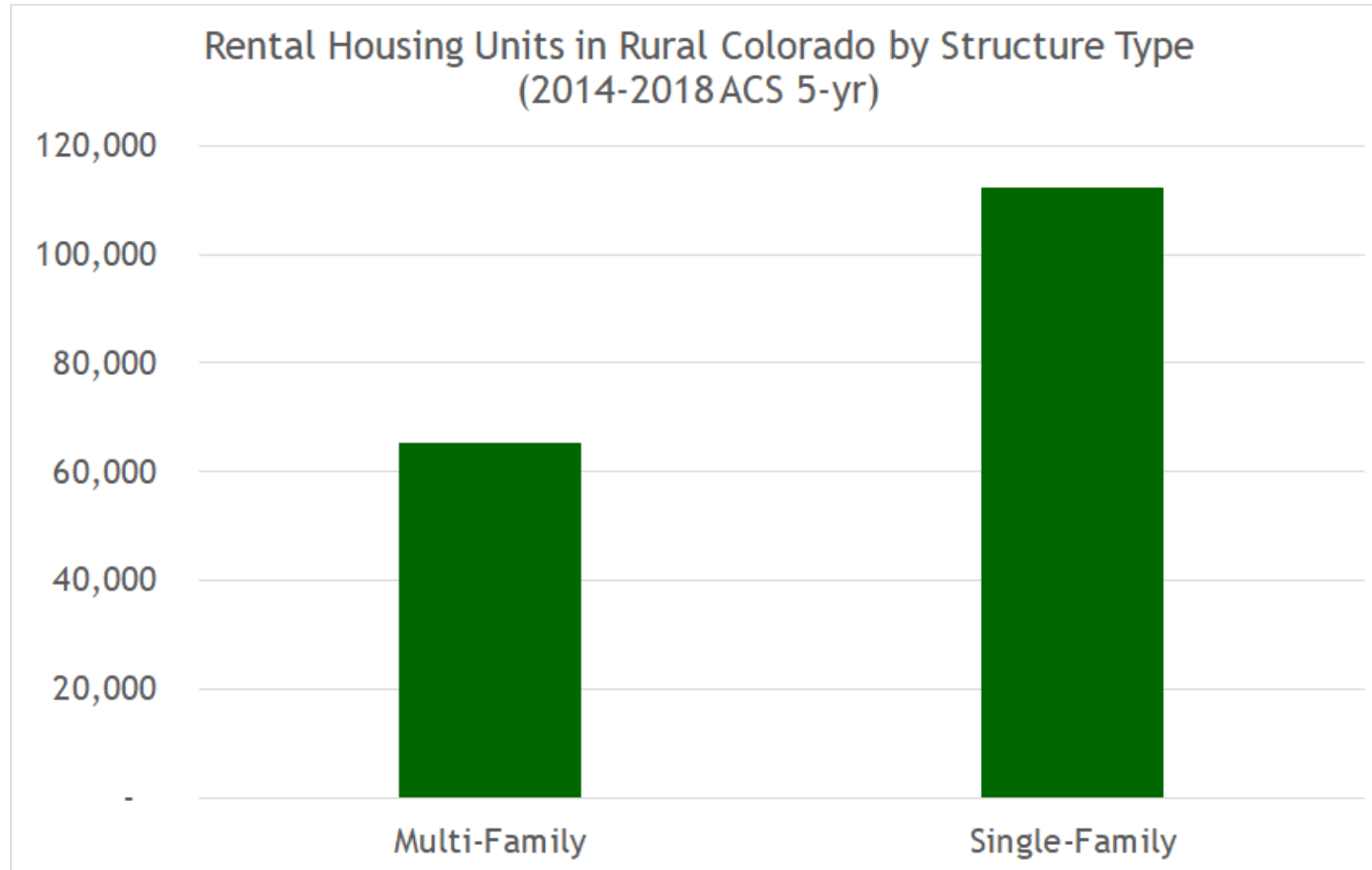
Percent of Households At and Below 50% AMI by Housing Problem Category (2012-2016 HUD CHAS Estimates)



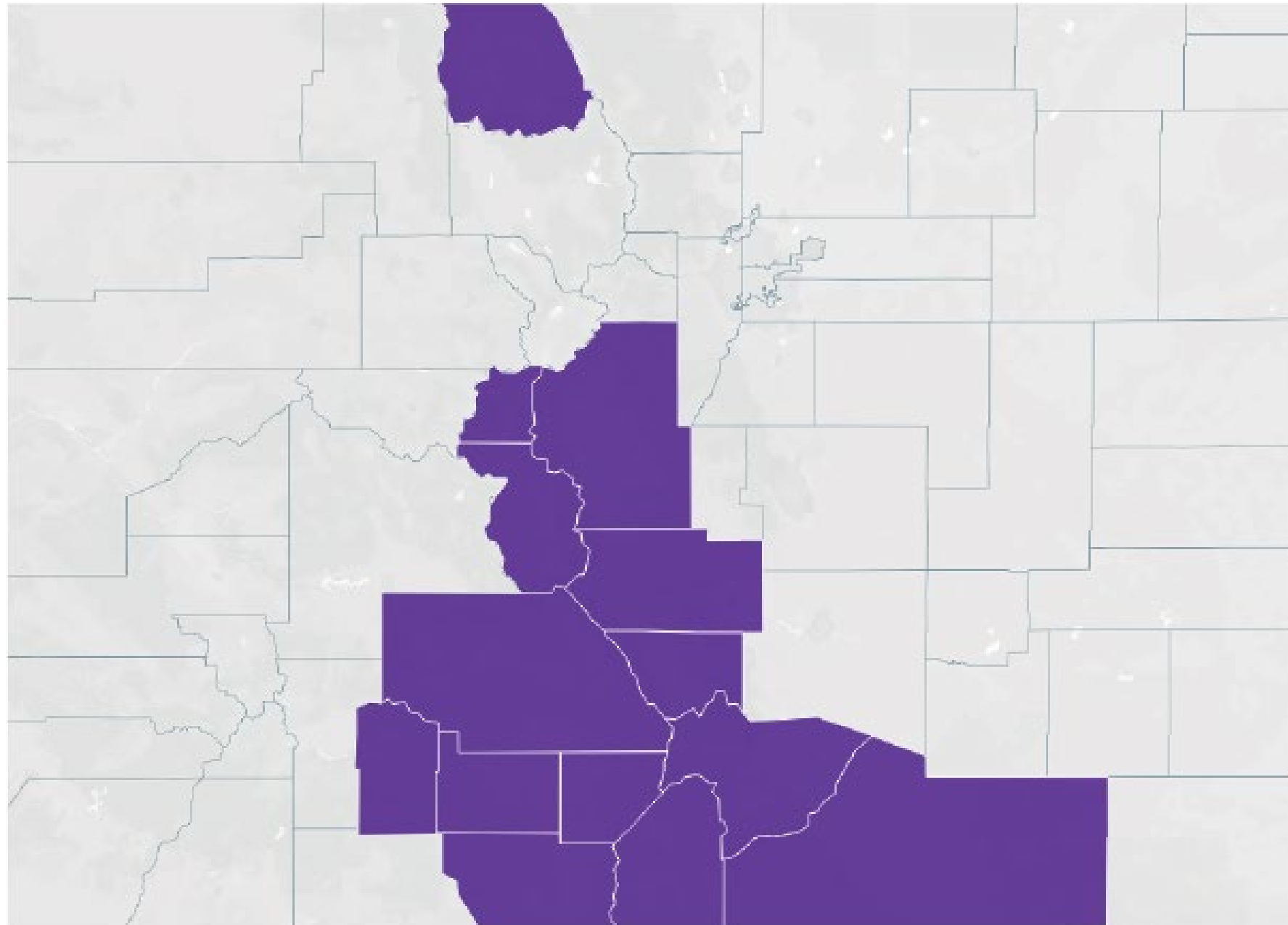
Rural Overview - Rental Stock Age:



Rural Overview - Stock Stock Diversity:



Colorado's Rural Regions - Central Mountains:



Counties included: Alamosa, Chaffee, Conejos, Costilla, Custer, Fremont, Huerfano, Jackson, Lake, Las Animas, Mineral, Park, Rio Grande, Saguache.

Measure (2019 data)	Median Rent/Value	Income to Afford

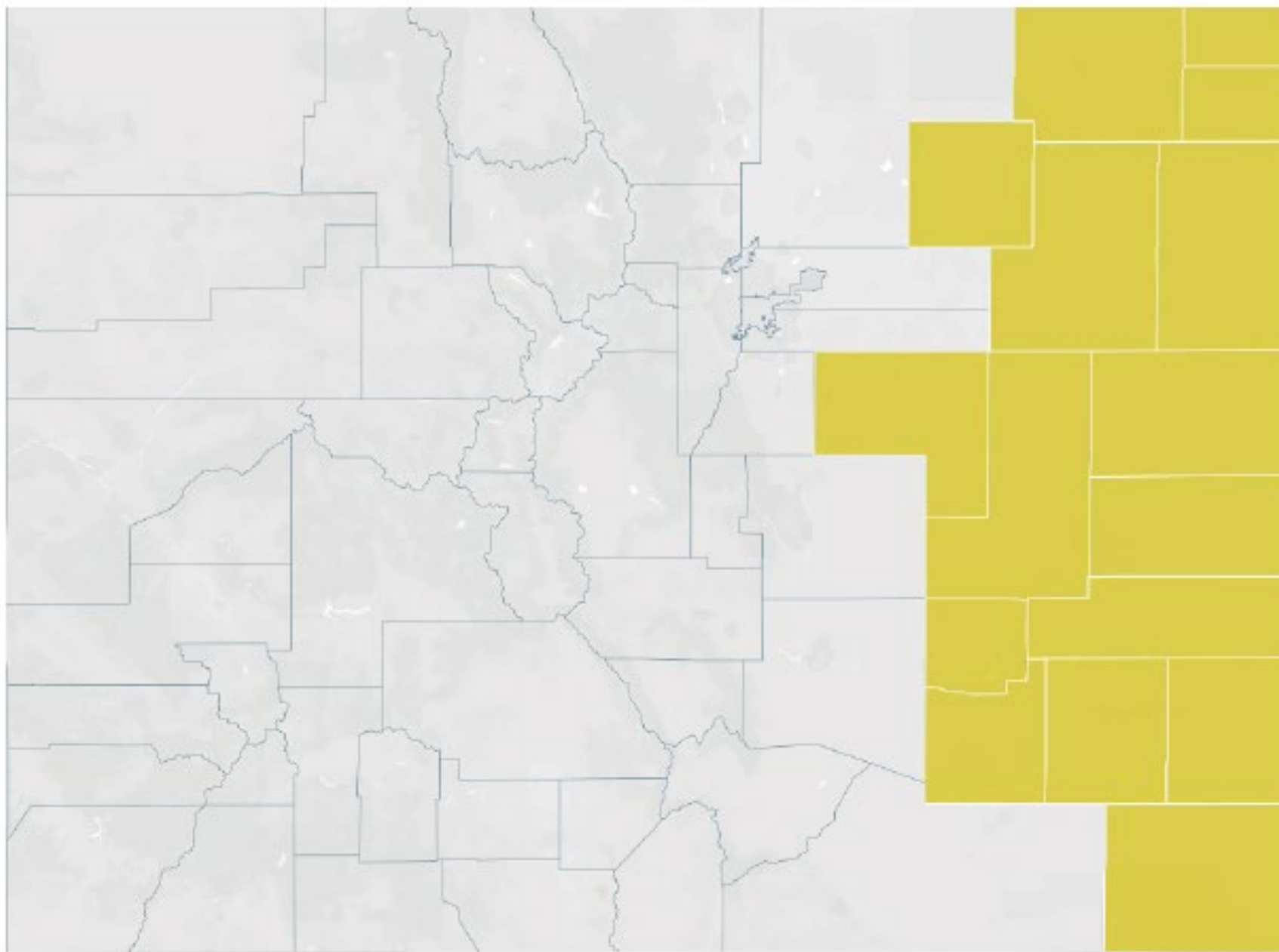


Central Mountains - Stakeholder Themes

- Housing gap for households earning 31-80% AMI.
- Lack of affordable housing is creating challenges for employers.
- Harsh winter weather is challenging for residents who live in campers and substandard housing.
- Support needed to expand capacity of existing programs, like weatherization.



Colorado's Rural Regions - Eastern Plains:



Counties included: Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, Yuma.

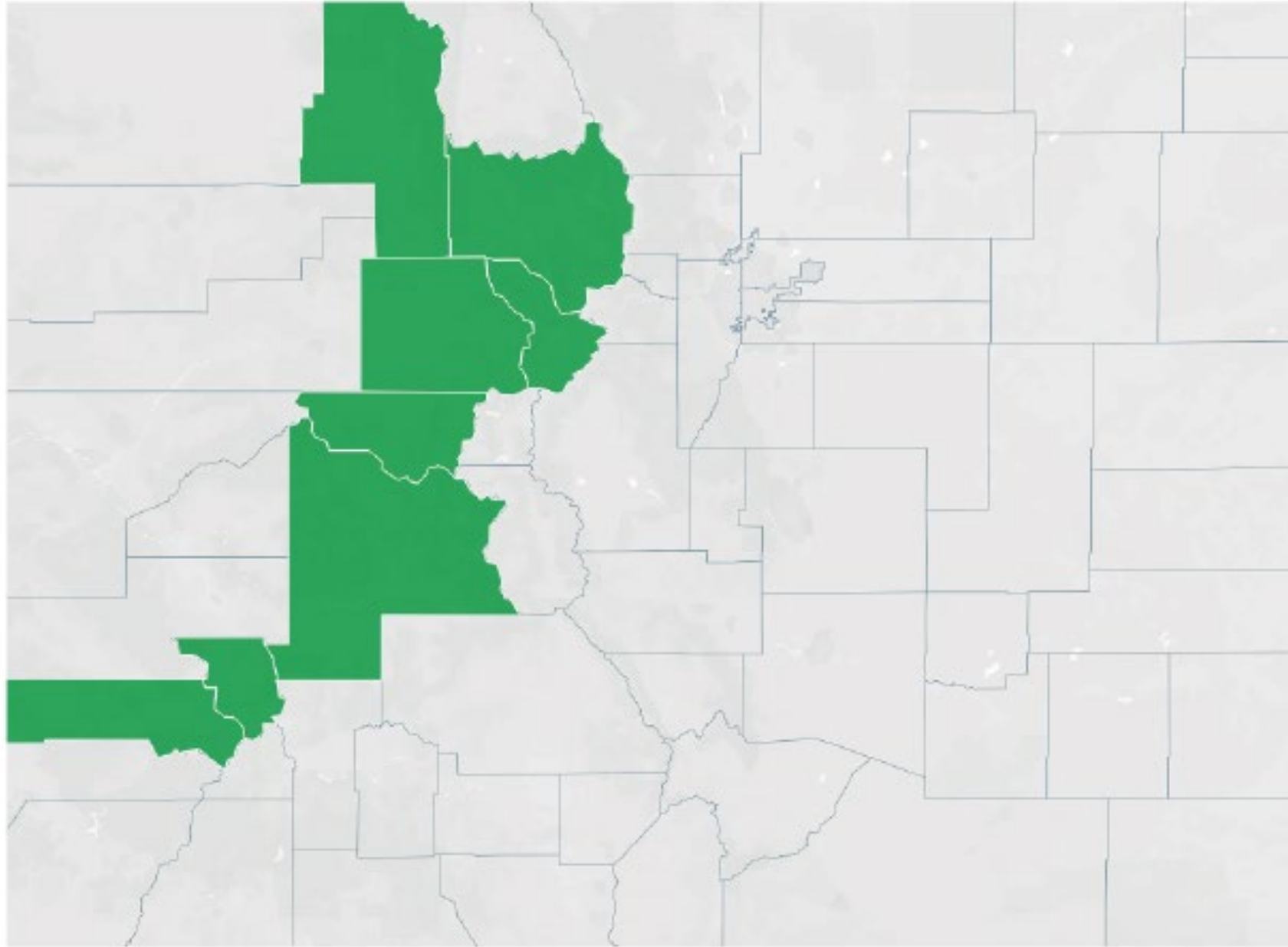
Measure (2019 data)	Median Rent/Value	Income to Afford

Eastern Plains - Stakeholder Themes

- High construction and infrastructure costs due to remote locations.
- It often costs more to build a home than its appraisal value.
- Limited financial and human resource capacity in small communities makes development challenging.
- Land is available and communities are eager for development.



Colorado's Rural Regions - Rural Resort:



Counties included: Eagle, Grand, Gunnison, Ouray, Pitkin, Routt, San Miguel, Summit.

Measure (2019 data)	Median Rent/Value	Income to Afford

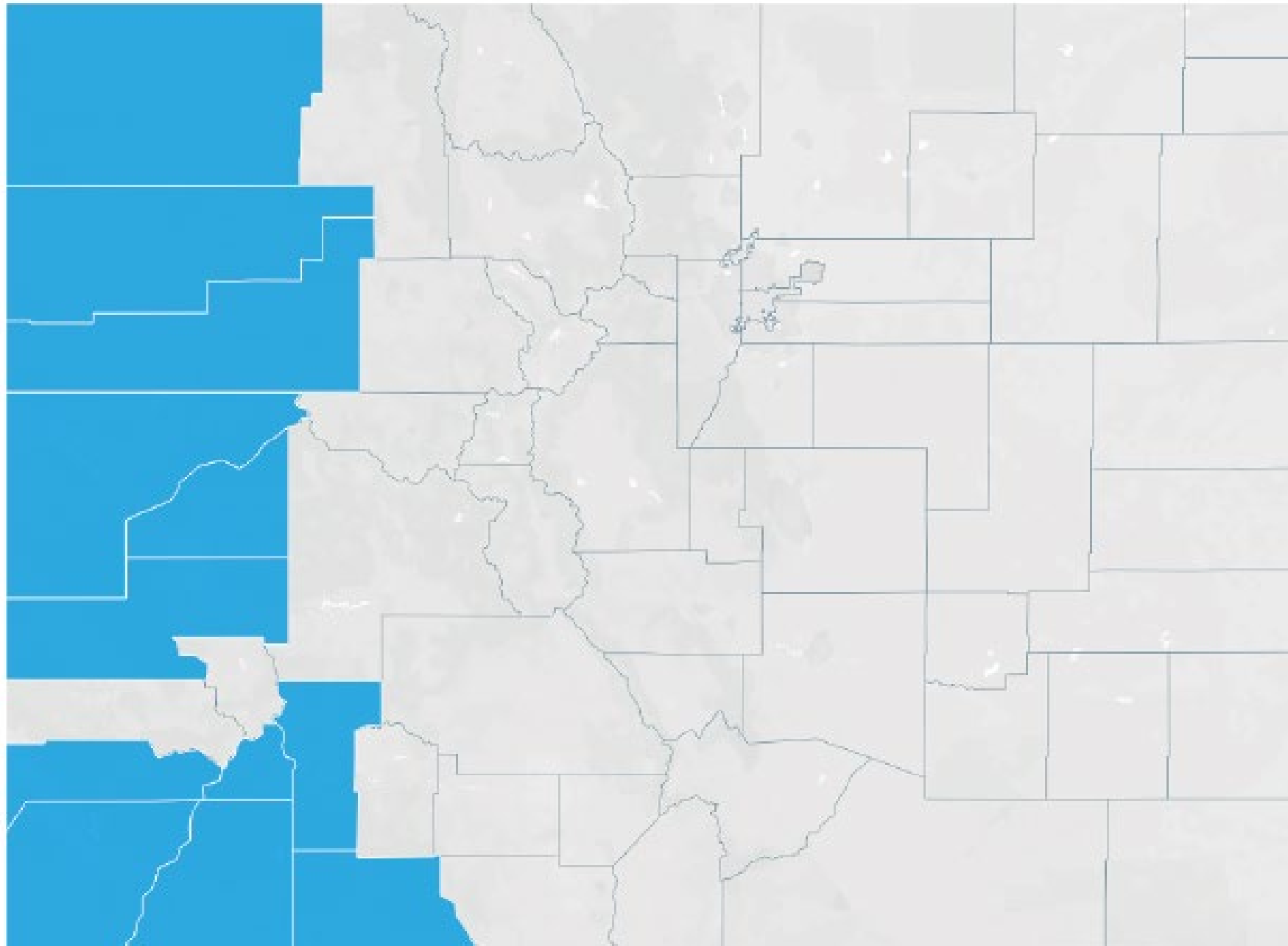


Rural Resort - Stakeholder Themes

- Housing gap for households earning up to 200% AMI.
- Second homeowners occupy limited housing stock and drive up costs for locals.
- Service workers are unable to afford to live near their place of employment.
- It is difficult and expensive to get contractors to the region due to distance.



Colorado's Rural Regions - Western Slope:



Counties included: Archuleta, Delta, Dolores, Garfield, Hinsdale, La Plata, Mesa, Moffat, Montezuma, Montrose, Rio Blanco, San Juan.

Measure (2019 data)	Median Rent/Value	Income to Afford



Western Slope - Stakeholder Themes

- Short building season leads to high construction costs.
- Workforce housing is a primary need.
- Low paying jobs and student debt burden makes it difficult to qualify for mortgages.
- Lack of options for 80-120% AMI households leads to outmigration.
- Short term rentals and second homes are adding to the affordable housing problem.
- Additional vouchers are needed in the region.



Next Steps

- FY21 state budgeting process
- COVID emergency state and federal funds
 - Emergency Housing Assistance Payments
 - ESG, CDBG and HOPWA funds
- Strategic Housing Working Group
 - June 19 application deadline

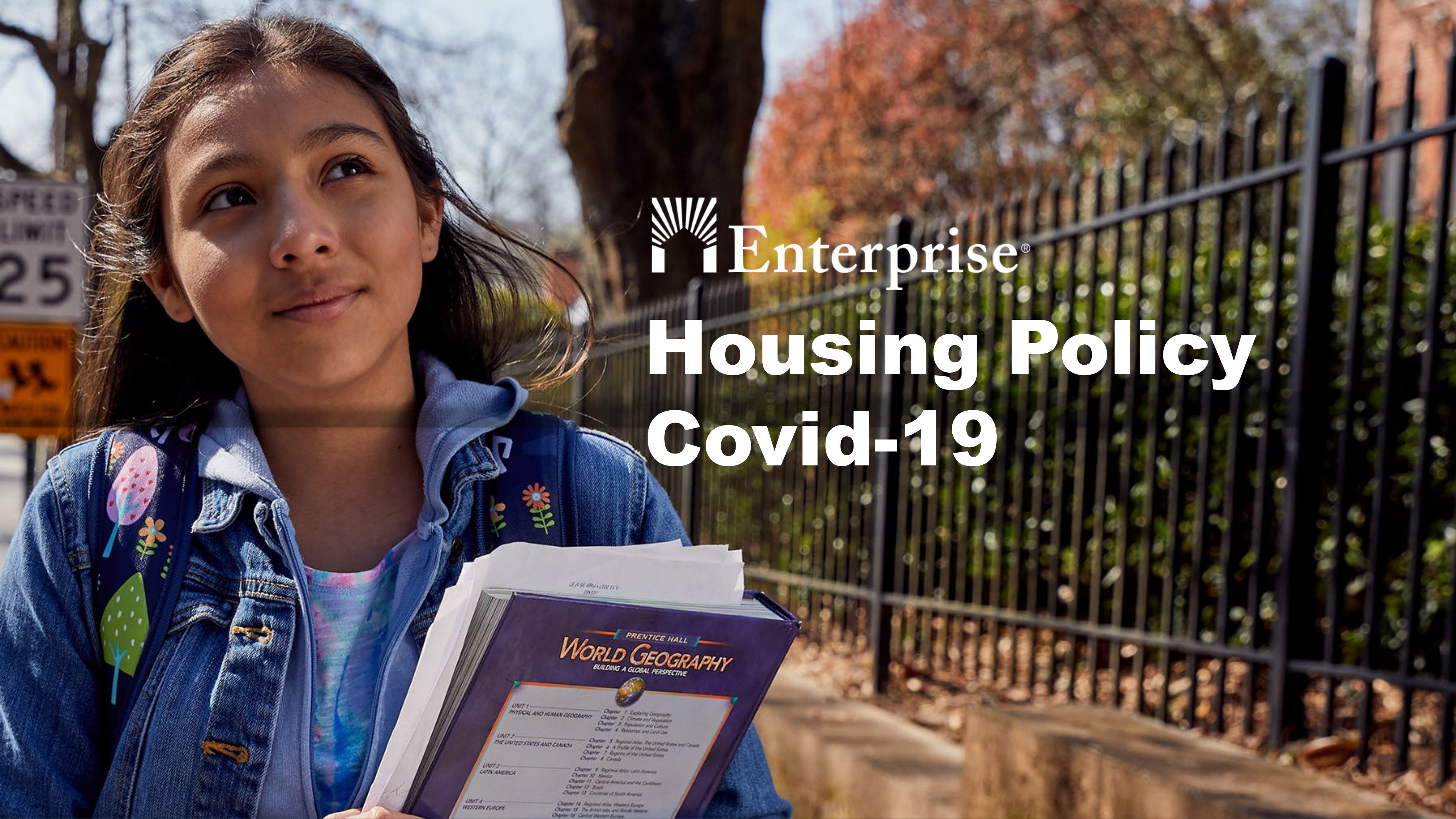
cdola.colorado.gov/strategic-housing-working-group-application



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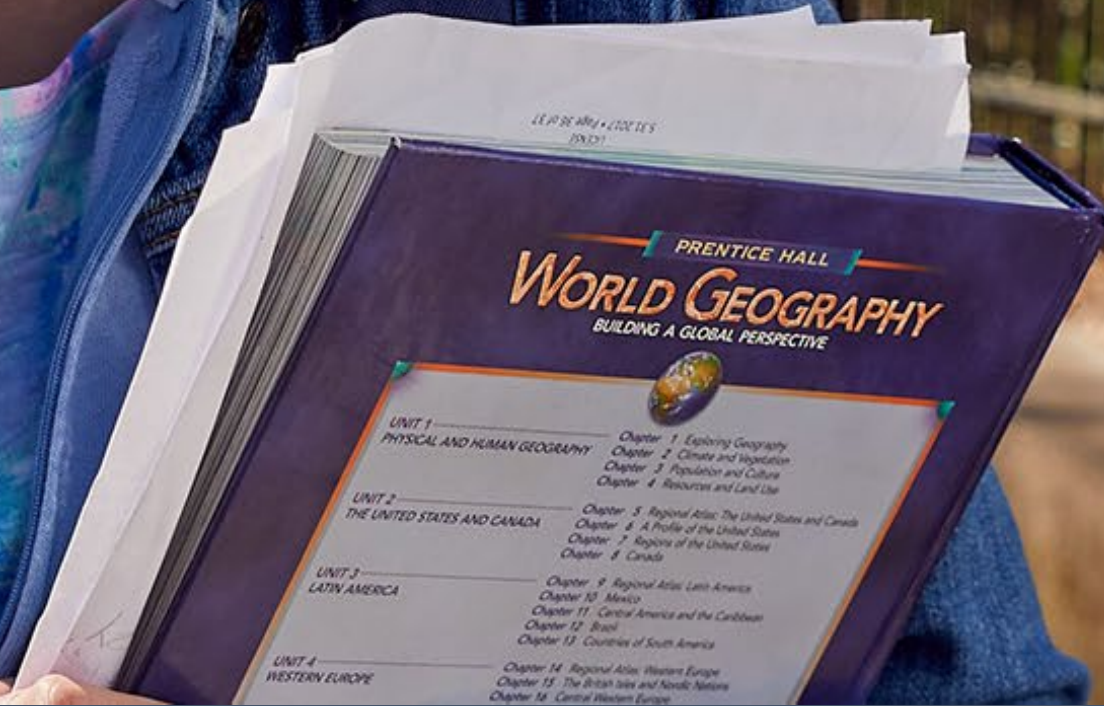
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 Enterprise®

Housing Policy Covid-19



CDBG and ESG Funding

Denver, DOH and other HUD Participating Jurisdictions

HUD has released Emergency Solutions Grant funds to states and eligible PJs

- DOH - \$7.3 million additional funds – two more tranches coming
- Can be used to support shelter operations and homeless solutions including 24 months of rental assistance
 - First contracts sent for shelter operations to existing grantees

CDBG Allocations – First Tranche is available to states and eligible PJs

- DOH - \$6.3 million additional funds; – other PJs as well
- HUD has lifted many requirements, including the 15% cap for public services, allowing more grants for programs like tenant based rental assistance and housing counseling
- HUD will release the second waive of funding in 45 days – formula based on COVID cases
- HUD will release the third waive of funding on a rolling basis, again based on COVID impacts
- No formal plans published yet by DOH – in the works for release soon
- HUD is also allowing more flexibility with existing CDBG allocations to PJs – grantees could ask for contract modifications for use of funds – perhaps for revolving loan funds managed at the local level

Additional Requests – CARES 2

Enterprise, LISC, HPN, OFN, the National NeighborWorks Association

- Advocating for \$48 million in additional HOME supplemental appropriations
- Requesting HOME funds can be used for immediate rental assistance in non-assisted units – directly to operators of properties in need of operating assistance
- Allow additional program flexibility in program guidelines to allow flexibility for COVID response

Enterprise Advocacy for USDA RHS in CARES 2

- \$300 million for short term operating cost, emergency staffing, communications and retrofits
- One year moratorium on debt or mortgage payments to USDA Rural Development
- \$700 million for rental assistance to 100% of RHS multi-family properties
- \$100 million for permanent service coordinator positions in each property to manage the prevention, preparation and response efforts
- \$250 million – one time \$1,000 per unit grant to owners with Covid-19 cases for deep cleaning

Additional Requests – Section 4, CDBG, ESG

LIHTC

ACTION Campaign

- *Emergency Action:* Enact a minimum 4 percent rate for buildings placed in service after January 20, 2020 (per the COVID-19 “incident period” for states per FEMA)
- *Additional Immediate Relief:* Allow developments to access 4 percent Housing Credits by lowering the “50 percent test” to 25 percent (for buildings placed in service after January 20, 2020)
- *For Economic Recovery:* Increase the annual Housing Credit allocation by 50 percent, phased in over two years at 25 percent per year, and adjusted for inflation, beginning in 2021
- Provide additional basis boosts to allow developments to access additional equity if needed for financial feasibility
- *For Regulatory Relief:* Extend key Housing Credit deadlines to continue progress on affordable housing development.

State Policy

- \$2 million in emergency housing assistance granted to 18 organizations statewide
- \$1 million for other emergency needs
- Legislature will reconvene May 4 – Budget the first two weeks
- Will have to determine a process for bills in progress, will prioritize budget, school finance, bills related to COVID response
- JBC / OSBP working together on both budget cuts and priorities and allocations of federal CARES act funds

Moratorium on Evictions – New Restrictions in Place through May

- No filing or initiation of actions for forcible entry and detainer based on tenants inability to pay
- No removal of tenants or possessions based on inability to pay
- No late fees or penalties for break of terms of lease based on nonpayment for duration of order
- Any property with federal protections against evictions must notify tenants of this protection
- DOLA – create model repayment agreements to allow tenants additional time to repay rent

KEEP UP TO DATE

Enterprise COVID-19 Website:

<https://www.enterprisecommunity.org/news-and-events/news-releases/covid-19-our-response-latest-updates>

Enterprise Colorado COVID-19 Resources:

<https://www.enterprisecommunity.org/blog/covid-19-resources-colorado>

Tenants Guide to COVID, and COVID Eviction Defense Assistance

https://docs.google.com/document/d/e/2PACX-1vQABJuY4-YZmSk_OEYKOaWD4Vmw1_7wiDHmEoljTqoBnqPsfQgNXDQgYf5_hT9zJjejalAfMnVBJZn/pub

National Low Income Housing Coalition:

<https://nlihc.org/coronavirus-and-housing-homelessness>

ACTION Campaign

<http://rentalhousingaction.org/blog>

FHFA

<https://www.fhfa.gov/>

Colorado Rural Preservation Academy
Housing Preservation Network
May 5, 2020

Beth Truby
Preservation Program Manager
Colorado Housing and Finance Authority

*chfa strengthens Colorado by investing in
affordable housing and community development*

Loans and tax credits to developers of
affordable housing

Access to capital for business owners

Loan programs and homebuyer education for
homeownership

chfa's 2019 community investment

CHFA invested \$3.3 billion to support affordable housing and economic development throughout Colorado.

\$2.9B

invested in
homeownership

\$324.2M

invested in affordable
rental housing

\$64.5M

in federal and state
housing tax credits awarded

\$69.4M

invested in businesses
and nonprofits

Subsidized Affordable Housing Stock



Annual construction rates for subsidized housing have declined from a mid-1970s high of 300,000 units to 75,000 - 100,000 units today



For every new affordable apartment created, two are lost

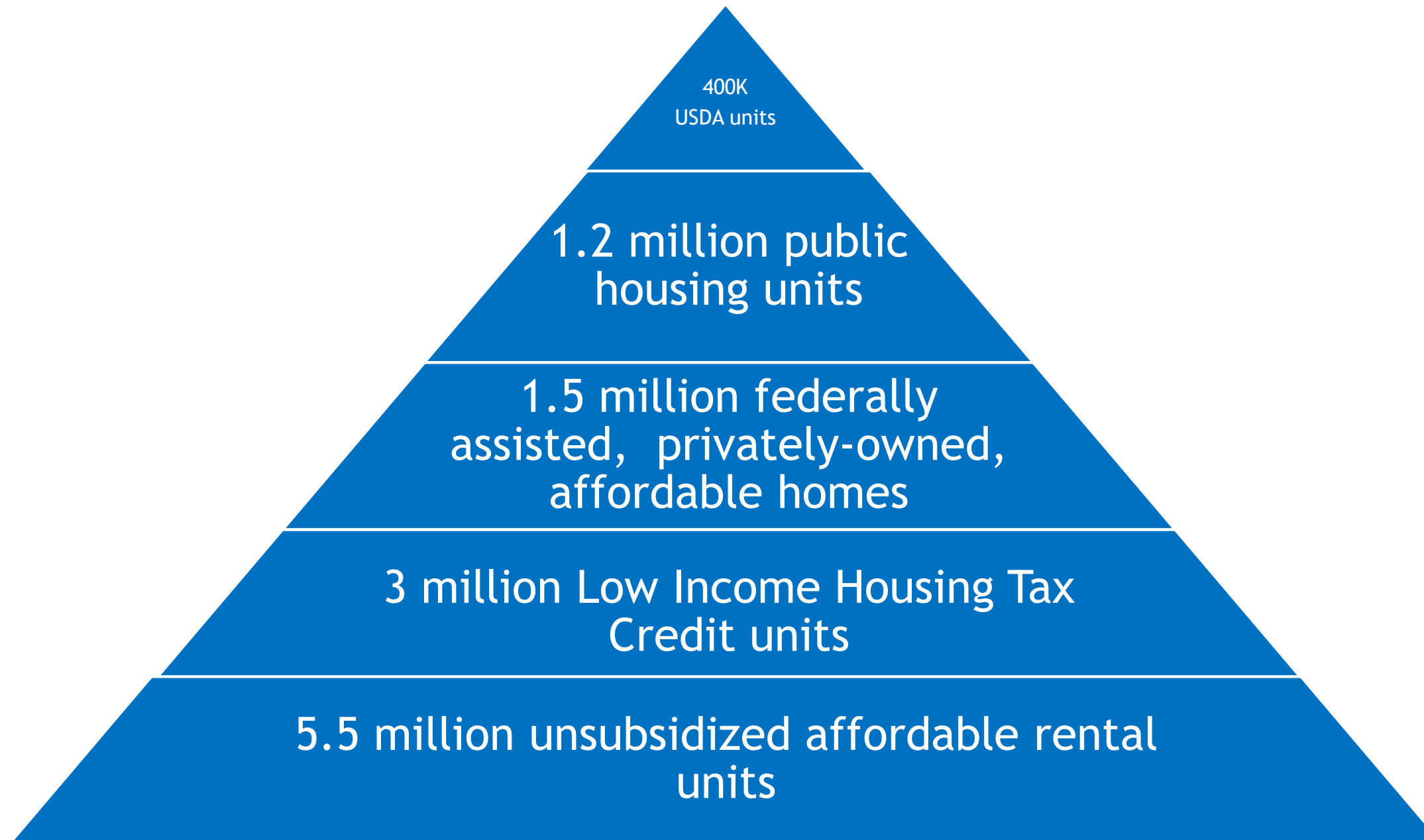


Affordable use periods for ~ 2.2 M privately owned and federally assisted units will end between 2015 to 2025



Colorado: 1,400 multifamily properties and ~ 70,000 subsidized units

Affordable Housing Stock



Affordable Housing Pressures

Primary reasons the supply of subsidized rental housing is shrinking:

- ▶ Conversion from subsidized units to market rate or for-sale
- ▶ Owner capacity/interest
- ▶ Physical deterioration and neglect of properties

Preservation

Taking action to ensure the federal subsidy and low-income restrictions remain in place, preserving long-term affordability

Usually combined with raising new capital to repair the property

May involve transferring the property to a new owner committed to the long-term affordability of the property



Preservation Benefits

- ▶ More cost effective than new construction; energy and resource efficient
- ▶ Preservation is easier than new construction: entitlement process already completed
- ▶ Critical community assets that have received public support are maintained
- ▶ Stable rental housing is vital to diverse, equitable, healthy communities



Units being lost and no coordinated strategy for preserving the long term affordability of multifamily rental properties

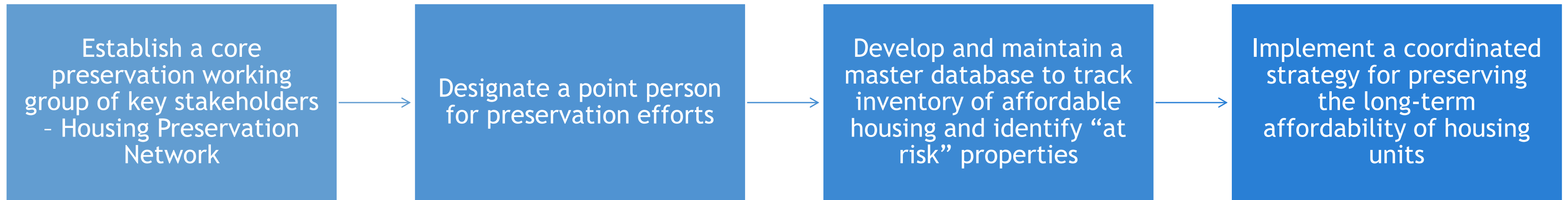


Uncertainty regarding the affordable subsidized inventory in Colorado



Increasing property values makes preservation more difficult

Challenge



Solution

preservation database

1,400 Multifamily Properties and 70,000 Affordable Units

- Expiring by year
- Sources of restrictions
- Property and owner information

250 Properties on Prioritization List

- 8,100 affordable units
- All expiration dates < 5 years
- Mod Rehab and 4% LIHTC at year 18

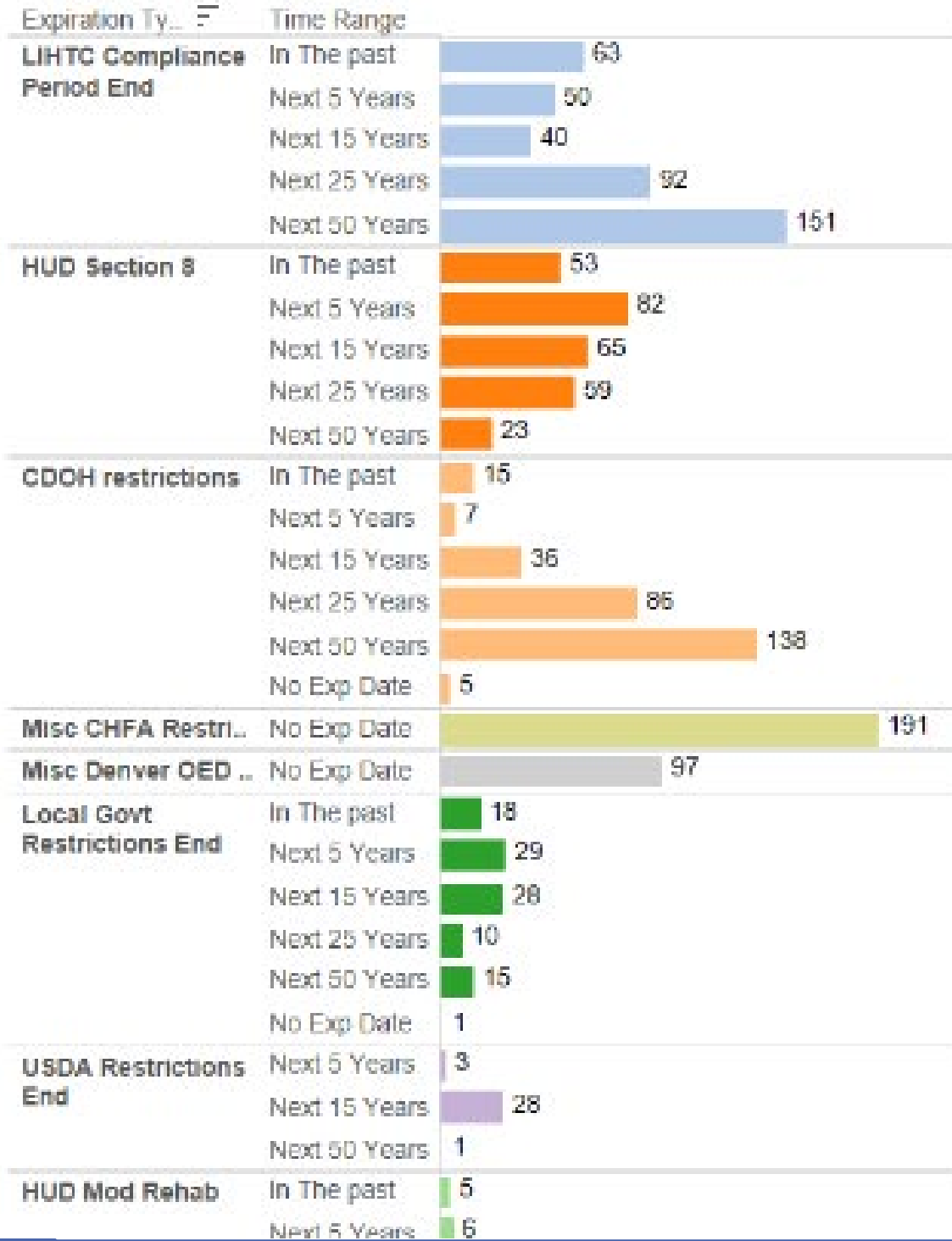
Total Projects
1,399

Total Units
87,362

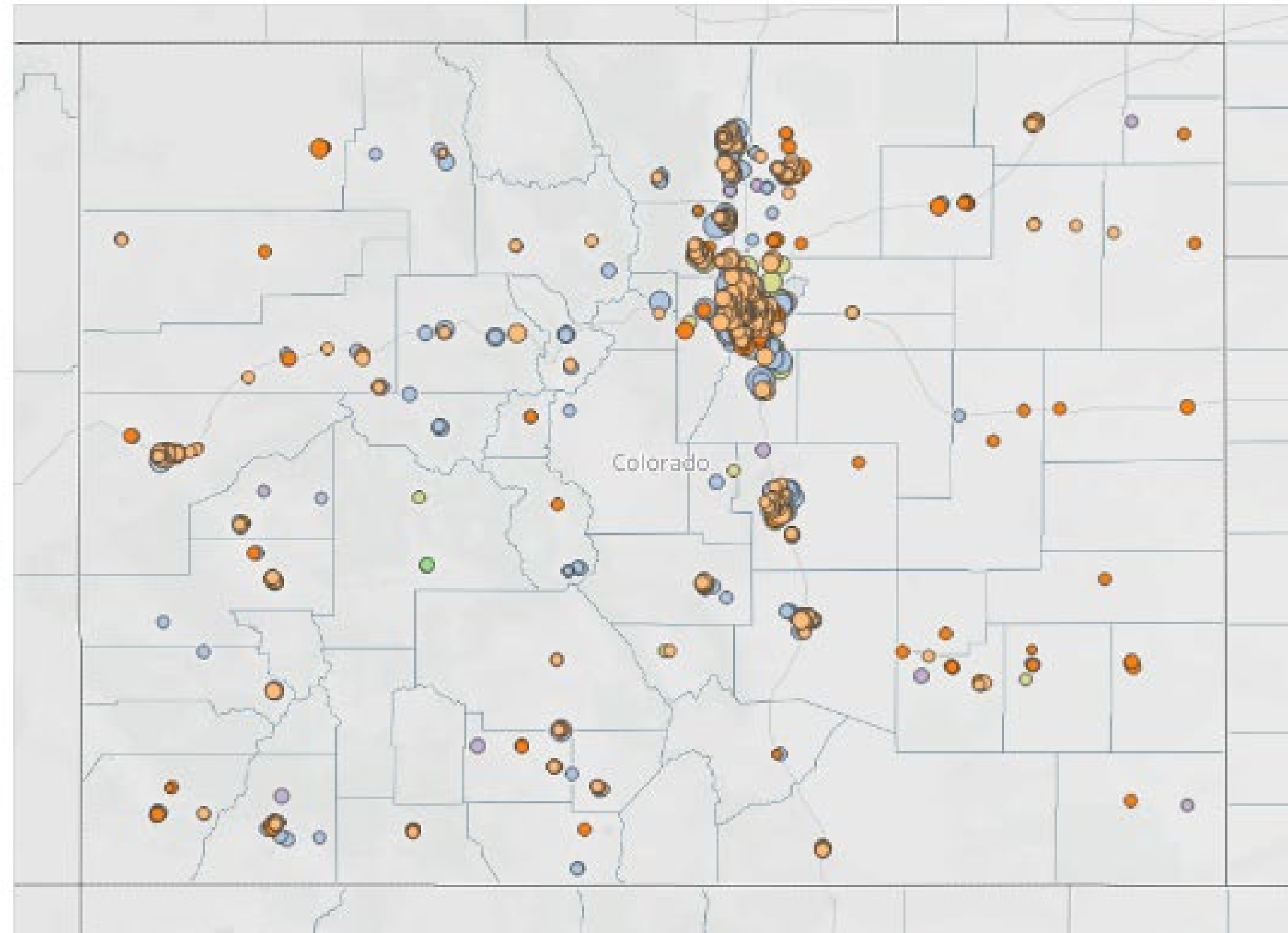
Projects Expiring by Year and Location

Select Projects, Total Units
or Restricted Units

Projects



Expiring Project Map



PrioritizationFlag

(All)

Expiration Type

(All)

Expiration Date

7/15/2003 12/31/2199

Timeline slider

Time Range

- (All)
- In The past
- Next 5 Years
- Next 15 Years
- Next 25 Years
- Next 50 Years
- No Exp Date

County

(All)

City

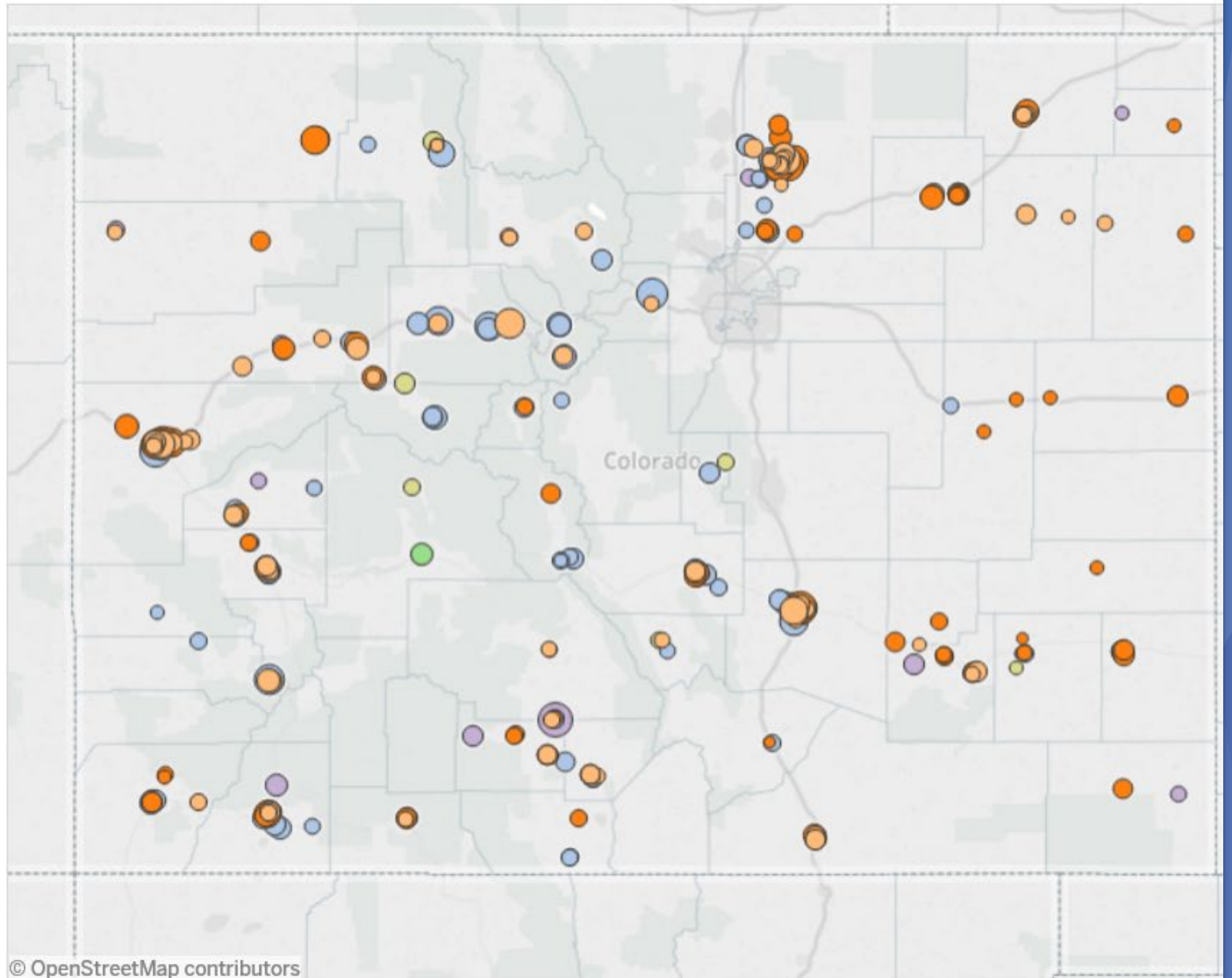
(All)

Expiration Type

- CDOH restrictions
- HUD Mod Rehab

Expiration Ty...	Time Range	
LIHTC Compliance Period End	In The past	10
	Next 5 Years	22
	Next 15 Years	7
	Next 25 Years	32
	Next 50 Years	55
HUD Section 8	In The past	27
	Next 5 Years	32
	Next 15 Years	24
	Next 25 Years	22
	Next 50 Years	8
CDOH restrictions	In The past	3
	Next 5 Years	5
	Next 15 Years	19
	Next 25 Years	21
	Next 50 Years	44
Misc CHFA Restriction	No Exp Date	44
USDA Restrictions End	Next 5 Years	1
	Next 15 Years	25
	Next 50 Years	1
HUD Mod Rehab	In The past	1
	Next 5 Years	3

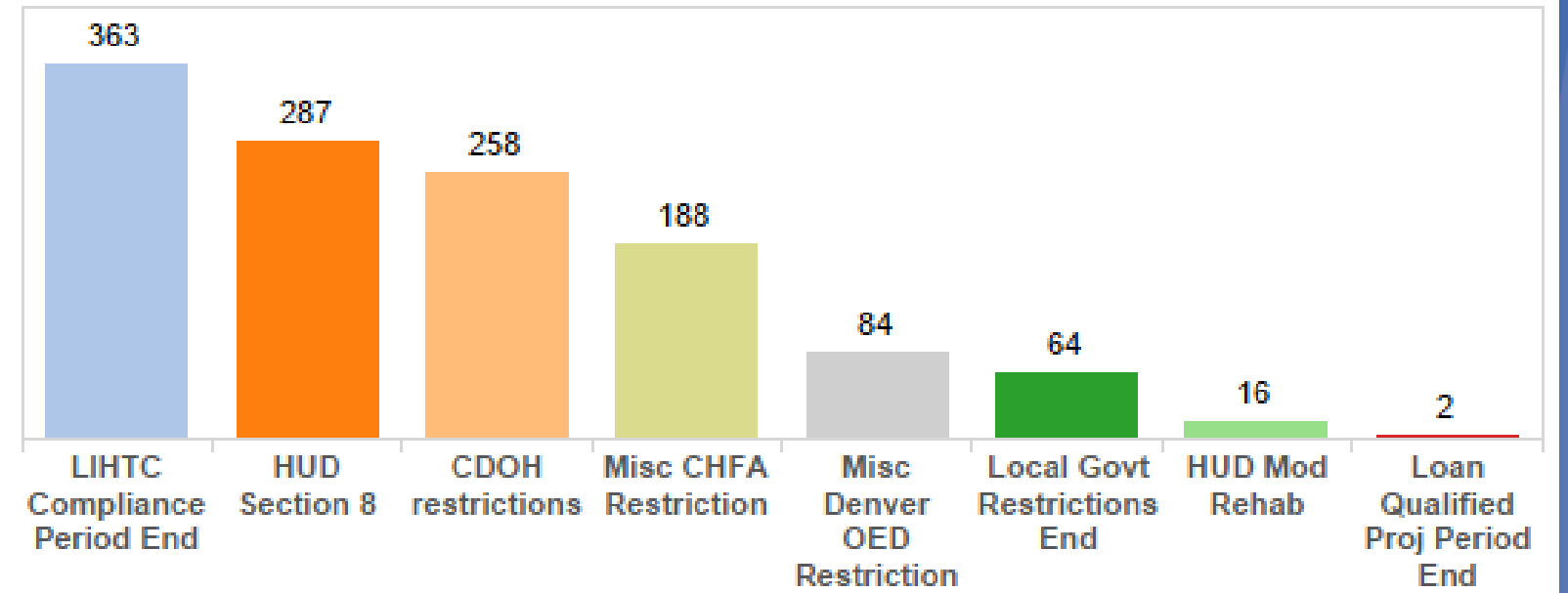
Expiring Project Map



Projects Expiring by Type

PrioritizationFlag	Time Range	Count
None	Next 5 Years	41
	Next 15 Years	197
	Next 25 Years	170
	Next 50 Years	375
	No Exp Date	274
All Restrictions Expire within 3 years	In The past	59
	Next 5 Years	144
Mod Rehab Property	Next 15 Years	2

Projects Expiring by Type



Units Expiring by Population Served

Population Category	In The past	Next 5 Years	Next 15 Years	Next 25 Years	Next 50 Years	No Exp Date
Not Specified	6	26	24	43	79	47
General Affordable	45	67	90	65	182	167
Homeless			1	2	7	2
Senior	5	67	74	52	83	41
Special Needs	3	25	10	8	22	17
Veterans					2	



Project Details Dashboard

Select Project to view details

Aria Apartments, 80221-2791 W 52-

Project Name
Aria Apartments

Community Facts Neighborhood:
CHAFFEE PARK
[Click to view detailed Shift Research Lab Community Facts](#)

Address
2791 W 52nd Ave
DENVER, CO 80221

Comments

[Click Here to Add Project Comments](#)

Project Expiration Types

LIHTC Compliance Period End

Owner Organization
Perry Rose LLC

Population Served
General Affordable

Total Units
72

Bedroom Mix	
0 Bed Units	0
1 Bed Units	31
2 Bed Units	41
3 Bed Units	0
4 Bed Units	0

Year Built
Not Specified

Owner Type
Unknown

Restricted Units
71

Ami Mix	
30% AMI Units	8
40% AMI Units	6
50% AMI Units	15
60% AMI Units	42

HUD Section 8 Expiration Date

HUD 2nd Section 8 Expiration Date

Local Government Expiration Date
May 8, 2032

HUD Mod Rehab Expiration Date

HUD Regulatory Agreement Expiration Date

CDOH Restrictions Expiration Date

LIHTC Compliance Period End Date
December 31, 2028

LIHTC LURA Extended Use Period End Date
December 31, 2053

State LIHTC LURA Expiration Date

Loan Qualified Project Period End Date

preservation toolbox

Property Tracking

Strong coordination between CHFA, DOH, HUD and local jurisdictions to update inventory of income-restricted units and preserve properties

Financing

Loan products/tax credits for acquisition and renovation

Accompanied by a new income-restriction

Outreach to Managers and Owners of Income-Restricted Properties



successes!

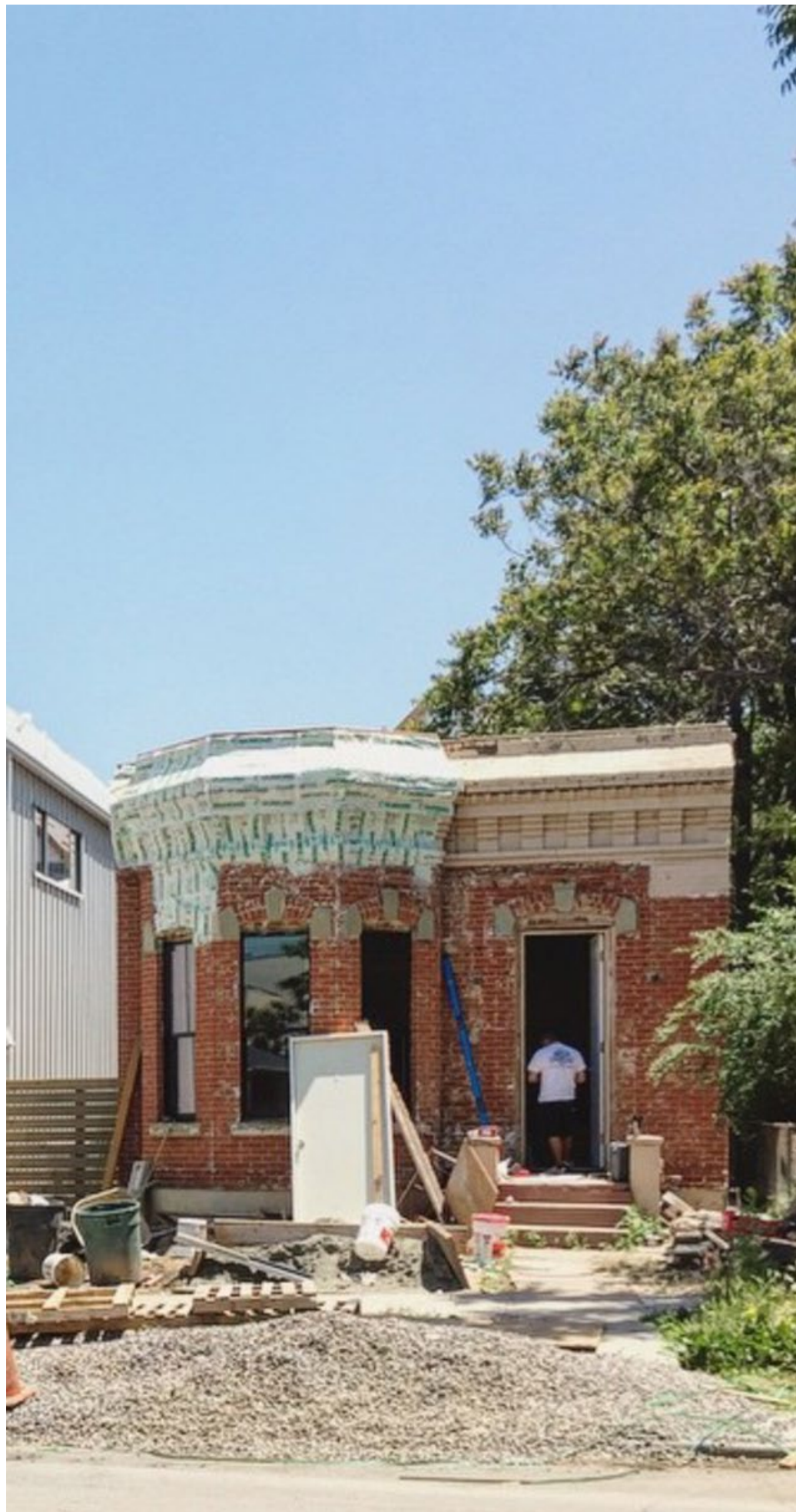
- ▶ 2016-2019 units preserved
 - ▶ 15K+
- ▶ Mod Rehab workshop
- ▶ Mobile home parks
- ▶ Partnership w/EOC
- ▶ Additional resources

City of Boulder Mobile Home Park Preservation Policy

- ▶ “Key Affordable Housing Tool”
- ▶ Mobile Home Park Land Use & Zoning
- ▶ Mobile Home Park Ordinance
- ▶ Park Purchase & Deed Restriction
- ▶ *“encourage the preservation of existing mobile home parks and the development of new manufactured home parks, including increasing opportunities for resident-owned parks”*



Ponderosa Mobile Home Park



emerging successes

- ▶ Preservation resources
- ▶ NOAH properties, especially <49 units
- ▶ Community land trusts

questions?

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