

REIMAGINING HOUSING SOLUTIONS

EQUIPPING COLORADO'S LOCAL LEADERS TO ADDRESS HOUSING DEMANDS

Session 2: April 1, 2022



Developing Community Housing Strategies

Agenda

12:00 — Welcome and Introductions

Sara Monge, Colorado Health Foundation

12:10 — Poll on Community Engagement

12:15 — Community Housing Strategy 101

Jenn Lopez, Project Moxie

1:00 — Panel Discussion on Community Engagement and Housing Strategy

- Dawn Melgares, San Luis Valley Housing Coalition
- Loren Boyett, Fort Morgan Cultures United For Progress
- Stefka Fanchi, Elevation Land Trust

1:45 — Q&A with Panel



The following organizations are sponsoring the ***Reimagining Housing Solutions*** series, offering time, talent, and direct input on series subject matter.

Series Sponsors



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COVID-19 EVICTION DEFENSE PROJECT



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Series Overview

March 4 — *Housing Markets in 2022*

April 1 — *Developing Community Housing Strategies*

May 6 — *The Role of Housing Policy and Land Use in Housing Strategy*

June 3 — *Housing Stability and Preventing/Addressing Homelessness*

July 8 — *Public Will Building and Innovative Public/Private Partnerships*

August 5 — *Building and Preserving Inventory*



Program Logistics & Housekeeping

Attend all sessions in the series if possible:

March 4, April 1, May 6, June 3, July 8, August 5

12:00pm to 2:00pm MT via Zoom

- If you registered, you'll receive an invitation email from Zoom for the May session sometime next week. This link will allow you to add the session to your calendar.
- Each session is recorded and posted on the Colorado Health Foundation website and will be shared in a follow-up email.
- **Submit questions using the Q&A function.** These will be answered throughout the session, and some will be flagged for the end of the session to answered live by our panel.



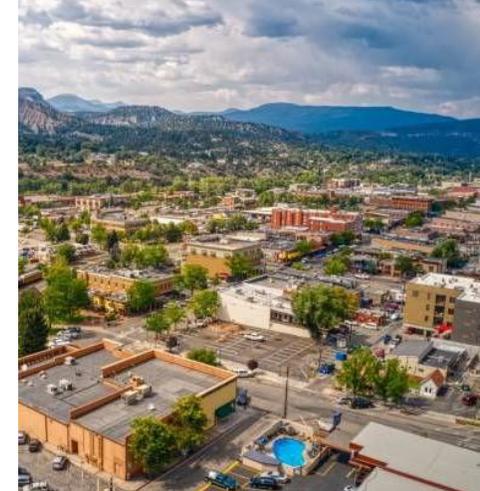
We are bringing health in reach for all Coloradans by engaging closely with communities across the state through investing, policy advocacy, learning and capacity building.



The Colorado
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Zoom Polling

Let's take a few minutes to get a sense of how your community approaches community engagement and what the primary barriers are.





Jenn Lopez
President, Project Moxie

Community Housing Strategy 101

Community Housing Strategy 101

What we'll cover today

Know your Data

Three Prongs of Housing Strategy

Know the Resources

Creative Capacity Building Models

Local Policy

Public Private Partnerships



What is Community Engagement?

Community Engagement

The process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the wellbeing of those people.

Public Process

Community Meetings required as part of a public process. Generally this is a set of required meetings that are noticed and recorded as part of public process for land use entitlements or for funders.

VERSUS

Community Engagement Practices

- Much of the work and approach to community engagement is based on decades of work in public health and early community organizing.
- There are guides/resources and multiple approaches available today.
- The following chart and process reviews a continuum of how it works from informing the community to practicing community empowerment.



	Inform	Consult	Involve	Collaborate	Empower
	<ul style="list-style-type: none"> • Led by state • State holds power 	<ul style="list-style-type: none"> • Led by state • State holds power 	<ul style="list-style-type: none"> • Led by state • State holds power 	<ul style="list-style-type: none"> • Co-led • Power is shared 	<ul style="list-style-type: none"> • Led by community • Community holds power
Purpose	Provide information	Get and incorporate feedback	Ensure needs and interests are considered	Partner and share decision-making power	Support and follow the community's lead
	One-way communication	One-way communication	Two-way communication	Two-way communication	Two-way communication
	Address immediate needs or issues	Inform the development of state programs	Advance solutions to complex problems	Advance solutions to complex problems	Problems and solutions are defined by the community
Methods	<ul style="list-style-type: none"> • Town halls • Community meetings • Media • Social media • Materials • Web 	<ul style="list-style-type: none"> • Focus groups • Interviews • Surveys • Stakeholder groups 	<ul style="list-style-type: none"> • Audience & user testing • Advisory groups • Steering committees • Community conversations 	<ul style="list-style-type: none"> • Collective impact • Coalition building • Partnership building 	<ul style="list-style-type: none"> • Community immersion • Community mobilization
Promise	We will keep you informed about this project	We will listen to you and incorporate your feedback into our project	We will ensure your concerns and needs are reflected in our project	We will work with you in planning all aspects of this project	We will implement the project you come up with
When to use	There is no alternative because of urgency, regulatory reasons, or legal boundaries	You want to improve an existing service or program but the options of change are limited	You need community perspective and buy-in to successfully implement the project	Community members have a strong desire to participate and you have the time to develop a partnership	Community members want to own the project and you are committed to a long-term relationship

The Goal = working toward community-driven engagement



Where to start?

Assess the community's **preferred methods of engagement**. Whether planning for in-person engagement, online engagement, or a combination of both, make sure to choose a method that is accessible and appropriate for the community you are trying to reach. If appropriate, use an existing community meeting.

Plan on using **multiple channels** or providing **multiple opportunities**. Consider a mix of traditional and non-traditional communication channels for getting the word out about your community engagement opportunity. You may also choose a variety methods along the continuum.

Where to start?

Make sure your methods are accessible.

There are many different aspects of accessibility that you need to consider, including physical accessibility, language, culture, and location. Identify and address other barriers for participation, like childcare, food, or transportation.

Ask questions that are open-ended, not leading, and unbiased.

Asking open-ended questions gives you the chance to learn something you were not expecting and provides space for discussion. Base your questions off of what you would like to learn. Ask a member of the community to review your questions ahead of time.

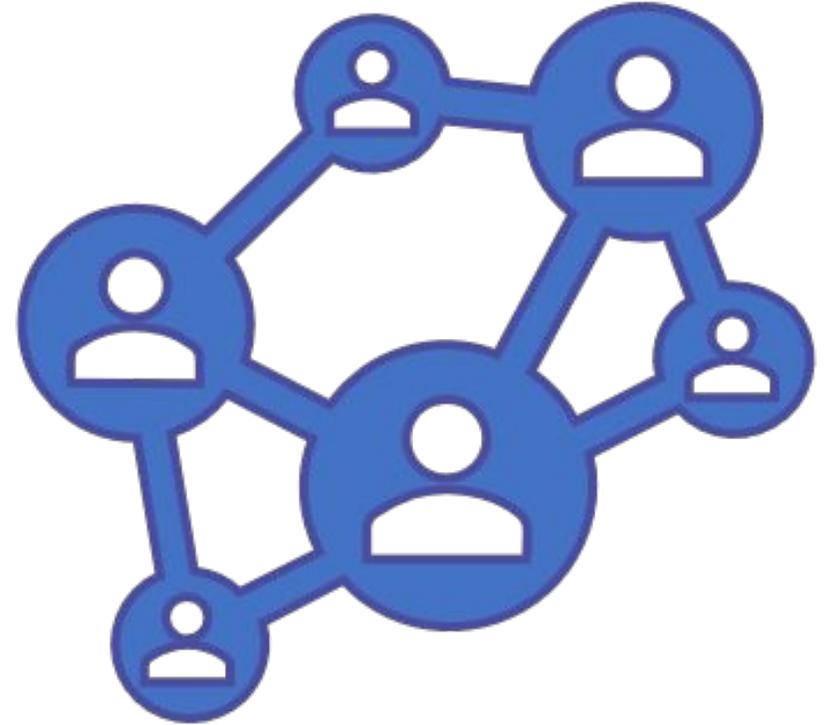
Get active consent. You will need at least verbal consent for most methods of engagement. There are additional written consent forms participants will need to complete if you plan to use audio recordings, video recordings, take photos, or engage minors.

When do you begin the Community Engagement/Public Process?

- Be clear on what you are required to do versus what you would like to do.
- The public process can create significant challenges for our housing projects; informing the community too soon can kill it, as can doing it too late.
- Be clear and consistent on project messaging—and remember that everything you submit for grants and land use processes will be public record.
- If you believe it will be a contentious project, get a third-party facilitator to support the process.

Moving Towards Community Empowerment

- This is hard to do but critical to move in this direction to ensure that the project meets the needs of its future residents.
- This is especially true for those that have experienced trauma and have been disenfranchised because of it.
- As you move to the right of the continuum you will be investing more time and resources in order to share the power.
- Not every project can be led by community (refer to the previous slide)



Unique Tools for Engagement Today



- COVID-19 has taught us how to do some engagement online more effectively, and **much of the public tends to be comfortable with video conferencing platforms like Zoom.** Just a couple years ago, this was not the case, and it's still not always the case in rural areas.
- Interactive websites and forums that allow for online presentations, comments, and interaction (i.e. Konveio) are increasingly common.
- Free online tools related to conducting community engagement with a racial equity lens are readily available online, such as those provided by the Local and Regional Government Alliance on Race & Equity (racialequityalliance.org)



Community Engagement Resources

- [Washington State Department of Health Community Engagement Guide](#)
- [Urban Institute: Community Engaged Methods](#)
- [Racial Equity Alliance Toolkit](#)
- [Supportive Housing Neighborhood Engagement Guide](#)

Downloadable PDFs (will be linked/clickable on slideshow posted to the Colorado Health Foundation website)

Urban Wire :: Community Engaged Methods

The blog of the Urban Institute



Know Your Data

- Housing Needs Assessments—city, county or regional level
- Third party consultant—reviews census data, market data, employment trends to project current and future need
- This assessment will result in large numbers of need and should also provide a reasonable target to begin meeting the needs (usually does not include specific strategy work)

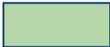
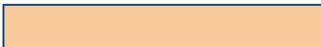
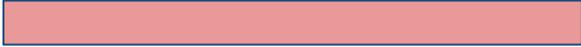


Needs Data & Market Studies Are Different

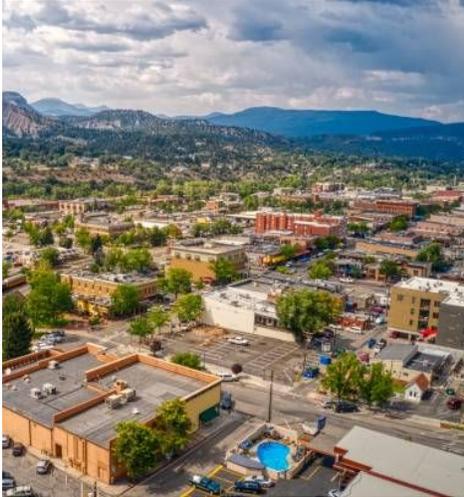
- Common mistake communities make:
 - We need 2000 rental units between \$600-\$1200
 - Therefore, we can convert a motel or build 60 housing units and fill it immediately
 - This is not always the case—just because there is need does not mean a specific project will be desirable
- Market studies help development teams and communities to decide what should be built, what a specific project should look like. Funders and investors require this study and so it's usually done early in the process and provides strong insight into the market.
- There are resources available currently for needs assessments



La Plata County Housing Needs: '21-'24

<u>Type of Units Needed</u>	<u>Number of Units Needed</u>
Surge Seasonal Beds/Units	45 
Low-income rentals (rent of \$625 a month or less)	118 
Workforce rentals (\$625-\$1750 a month)	232 
Ownership units (\$380,000- \$525,000)	473 

Source: Root Policy Housing Needs Assessment, 2021



Strategies & Tools

Below market housing tends to be developed through one of two of the following strategies:

Note: these strategies can be (and often are) combined.

Development Subsidy

Reduce the costs of developing new below-market housing so people earning a certain income level can afford it.

Put another way, it allows the developer to be able to afford to offer below market rent or mortgage without going bankrupt.

In essence, it brings housing costs down to match local incomes.

Household Subsidy

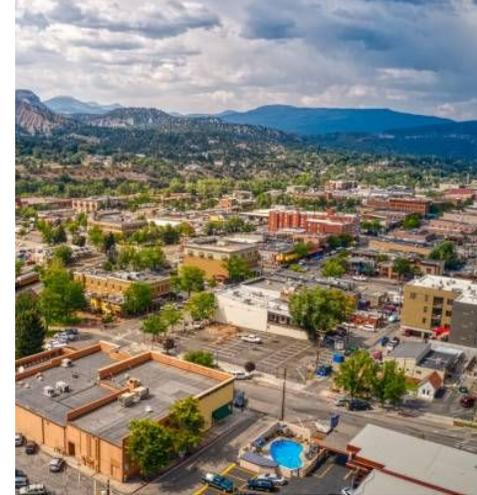
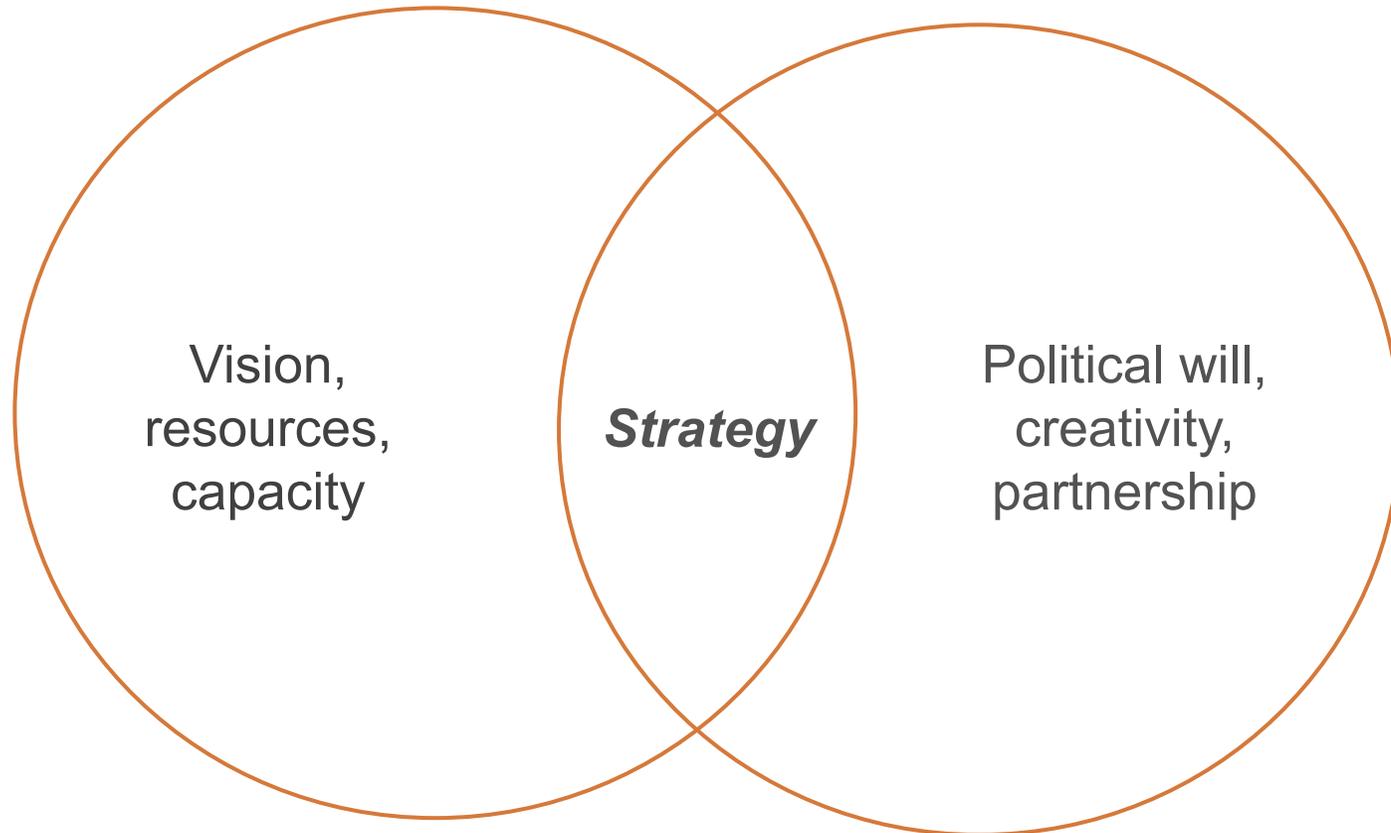
Reduce a person's housing costs through rent assistance (such as Section 8 Vouchers) or mortgage assistance.

In either case, a payment is provided to the household to cover the difference between what they can afford (<30% of income) and what their housing costs.

In essence, it adds to household incomes to match housing costs

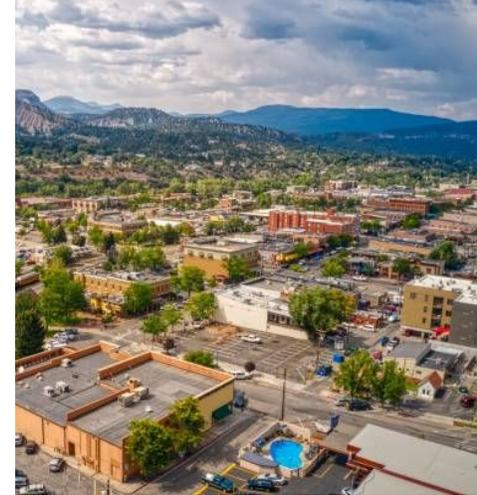
Strategy Development

Housing strategy emerges where a community's vision, resources, and capacity meets political will, creativity and partnership.

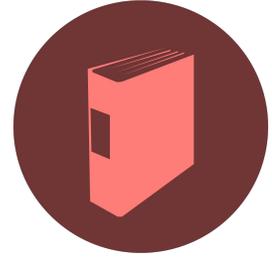


Environmental Considerations

- Below-market housing and environmental considerations have a long history of compatibility.
- For decades, the housing industry has wanted below-market housing to be in locations that minimize the need for cars and uses existing infrastructure. In-fill development and increased density are critical activities to minimize development's footprint on housing.
- Redevelopment of existing structures and preservation are also more environmentally friendly activities.
- Building homes to an energy standard is required when using most federal funding programs: Energy Star, National Green Building Council, etc.
- We will discuss green building during the development session on August 5



Housing Toolbox



Incentives	Partnerships/ Public Initiatives	Development Regulations	Funding
Density bonuses	Providing County or Town land	Inclusionary Housing	Grants: Federal, State, Foundation
Fee waivers	Town or County builds housing	Residential linkage	Proceeds from regulations
Reduced parking	Public provide financing	Commercial linkage	Low Income Housing Tax Credits
Fast track processing	Property tax exemption	Annexation policy	General fund revenues
Reduce min lot/ house size	Habitat for Humanity/ Self help		Favorable loans
Allow affordable housing all/most zones			Tax: Property, Sales/Use, Excise on STR, Marijuana, GO Bond

Housing Strategy 101

Preserve Existing Housing

Preserve existing affordable units through:

- Home or renter rehab,
- Mobile home park preservation
- Preservation of NOAH (Naturally Occurring Affordable Housing)

Promote & Develop New Housing

- Promote and develop new rental housing
- Promote and develop new for-sale housing

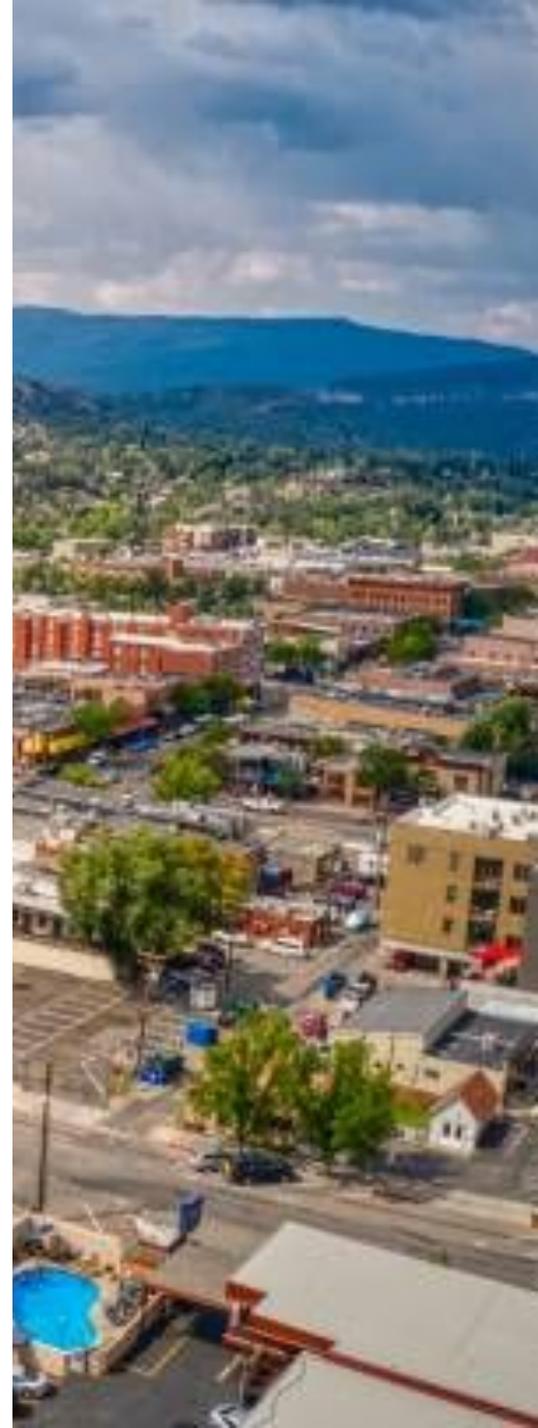
Increase Access to Housing Opportunity

- Stabilize existing households and create access to all types of housing through programs
- Homebuyer education/renter education/tenant rights workshops/homeless prevention

Preserve existing below market housing

Durango examples

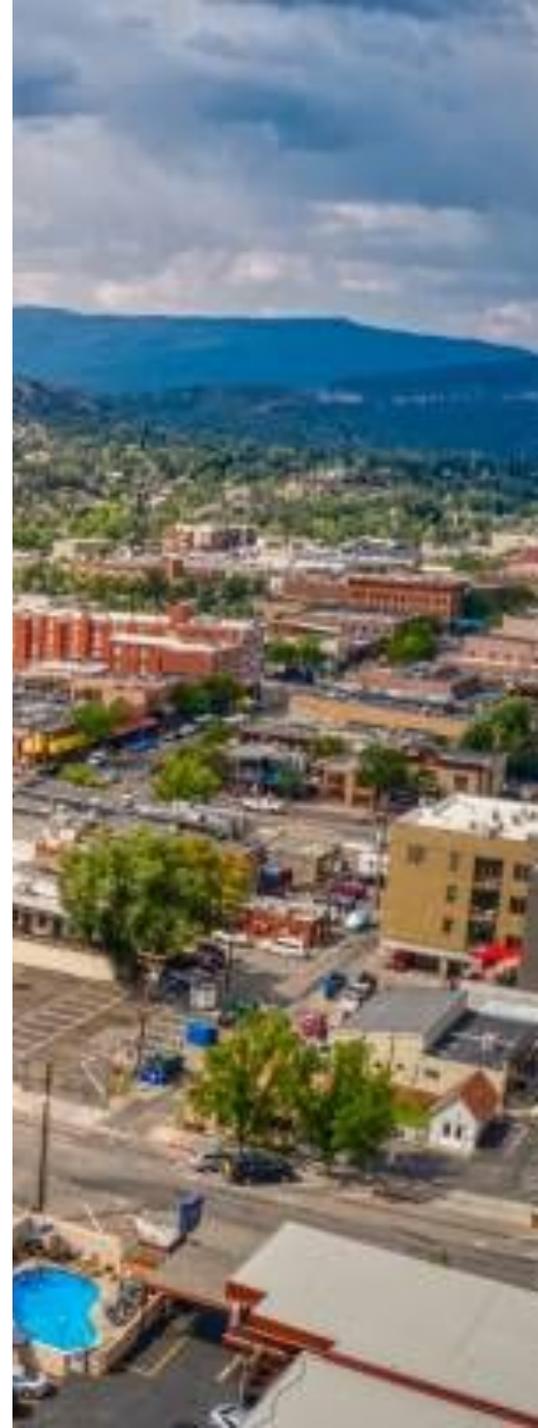
- **River View (mobile home preservation w/ROC USA):**
 - Residents of the 120-unit River View Mobile Home Park formed the Animas View MHP Co-op in early 2021 to organize and secure funding to purchase their mobile home park that went up for sale in late 2020 (14 million and multiple funders)
- **Tamarin square preservation 2020/21 (Private developer with local and state resources)**
 - We had a willing owner and could provide additional capacity and help commit our local allocation of Private Activity Bonds which made the project eligible for additional tax credits. The team rehabbed, refinanced and extended the affordability period for an additional 20 years.
 - Private Activity Bonds are underutilized in nonmetro communities. Each community receiving PAB should have an allocation strategy.



New strategies: local preference

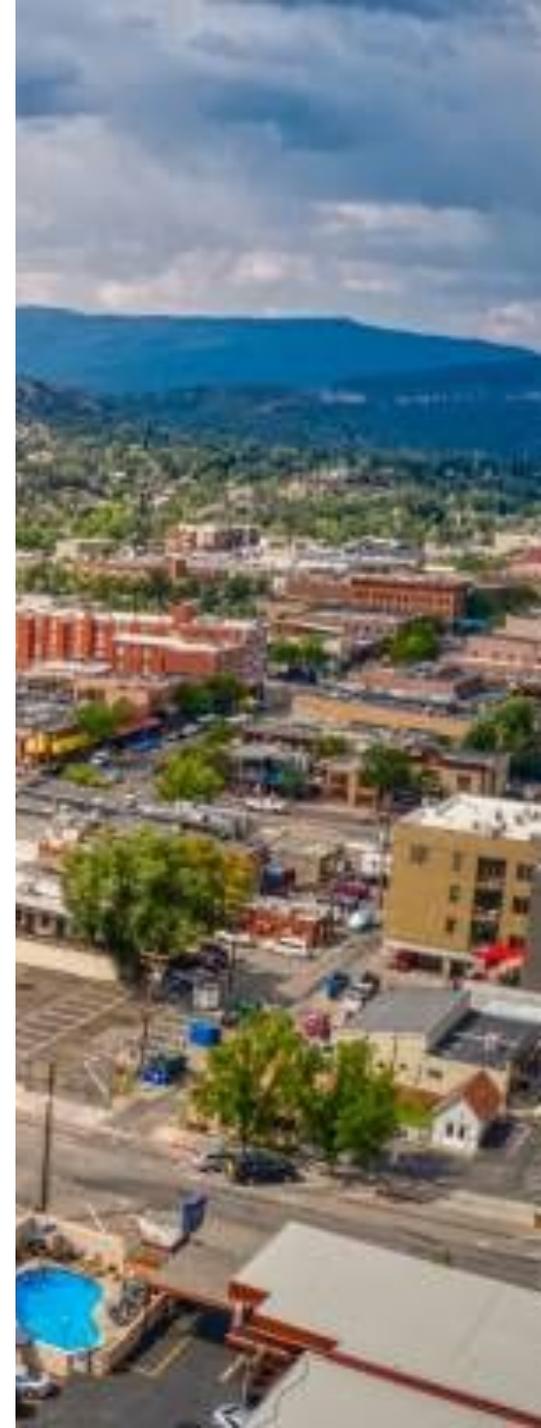
Post-Covid, communities are realizing that they need policies that can either **prioritize locals or limit access to housing for non-locals**. For example:

- Short-term rental policies via limiting business licenses)
- Local workforce housing programs that require that participants work a minimum of 30 hours a week at a local business etc in order to qualify for housing programs.
- Employer sponsored projects that give preference to local employees



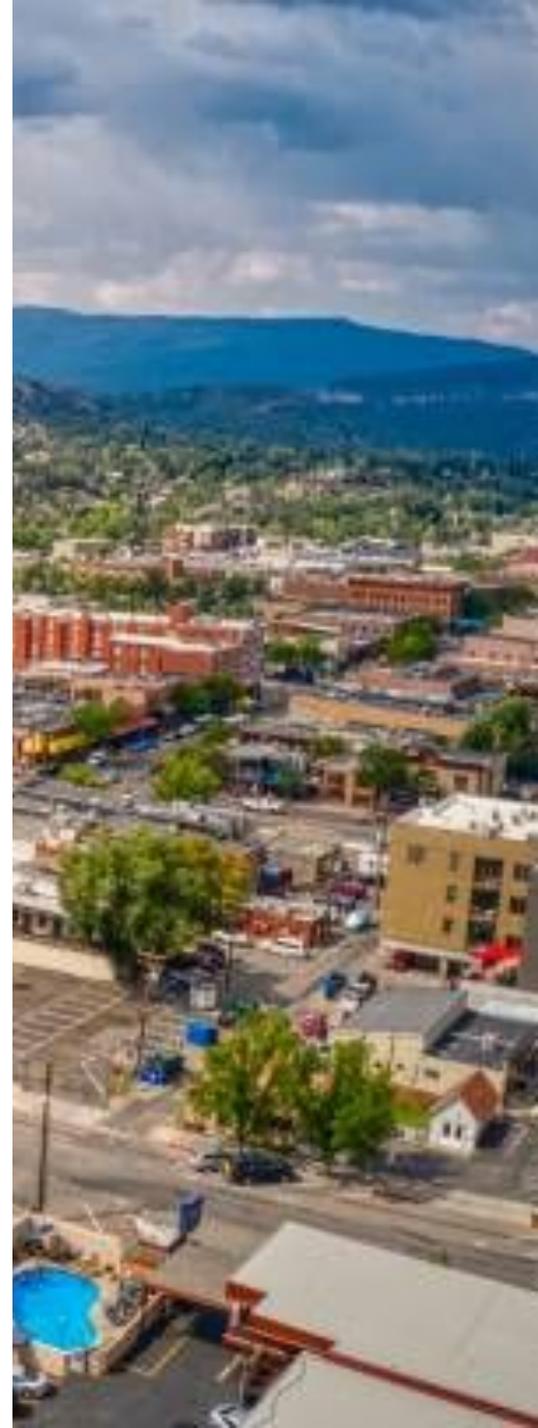
Promote and develop below-market housing

- Government helps to subsidize land development or infrastructure in order to create below-market opportunities.
- Increase development capacity through public/private partnerships for vertical development. Use RFP's to select mission aligned development partners.
- Subsidize development with increased state and federal funding resources as well as use public financing tools to offset development costs.
- Simplify and streamline the planning and entitlement process.
- Create a supportive development environment and create consistent policies across the region.



Stabilize those who are housed and rehouse people as soon as possible

- Best practice is for communities to have programs that help provide stability to existing residents and/or navigate new housing opportunities for residents.
- This also includes programs to prevent homelessness and to rapidly rehouse those that fall into homelessness.
- Programs that provide emergency assistance, financial literacy classes and help navigate benefits are critical to stabilizing those that are already housed.
- In the last two years we have seen a significant need and increase in tenant protections counseling, education and eviction prevention programs.



Creating pathways to homeownership

Homeownership Programs Provide:

- **Homebuyer Education** – A CHFA certified class that covers budgeting, credit, lending, working with a Realtor, home inspections, etc.
- **Housing Counseling** – One-on-one examination of readiness for homeownership.
 - Programs should have HUD certified Housing Counselors.
 - Housing Counseling is available to all, regardless of income.
- **Mortgage Assistance/DPA** – Financial assistance to fill the gap between low wages and high home prices.

If your community does not have an established program reach out to regional or statewide providers.

Impact Development Fund is an excellent partner and resource statewide.



Equity Considerations in home ownership

Homeownership rates for BIPOC households are much lower and have been significantly impacted by increased market prices.

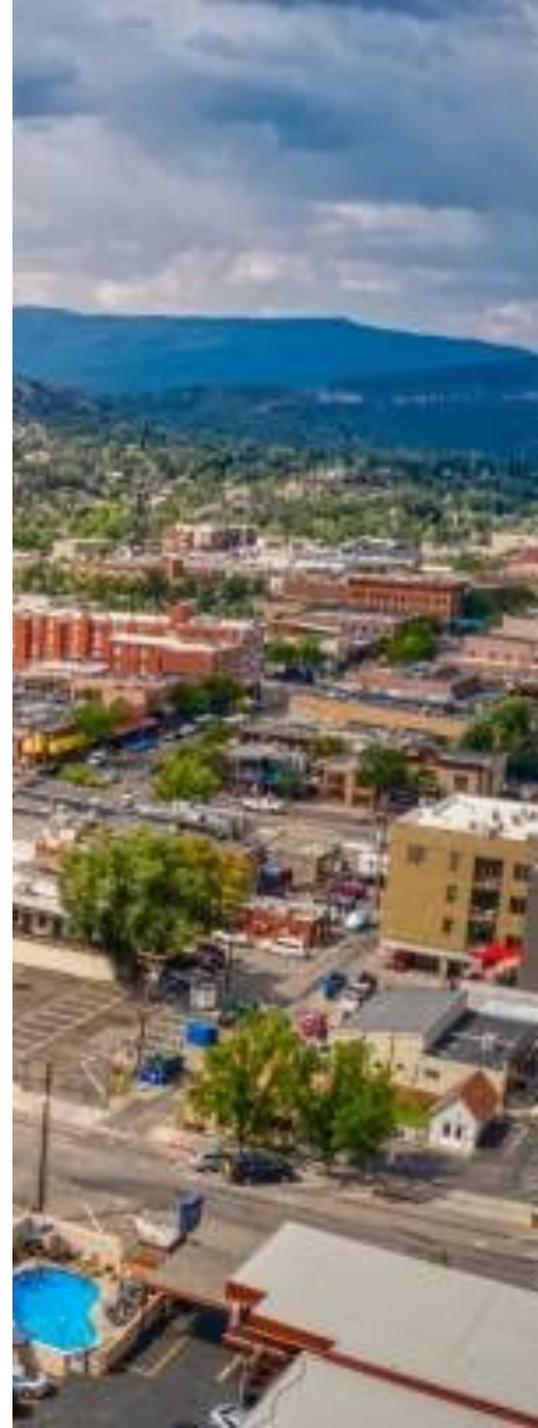
Creating opportunities for this population takes multiple strategies and intentionality.

AND

Creating resale controls and balancing the needs of the homeowner to create equity and build wealth versus a resale cap that limits equity but preserves the asset.

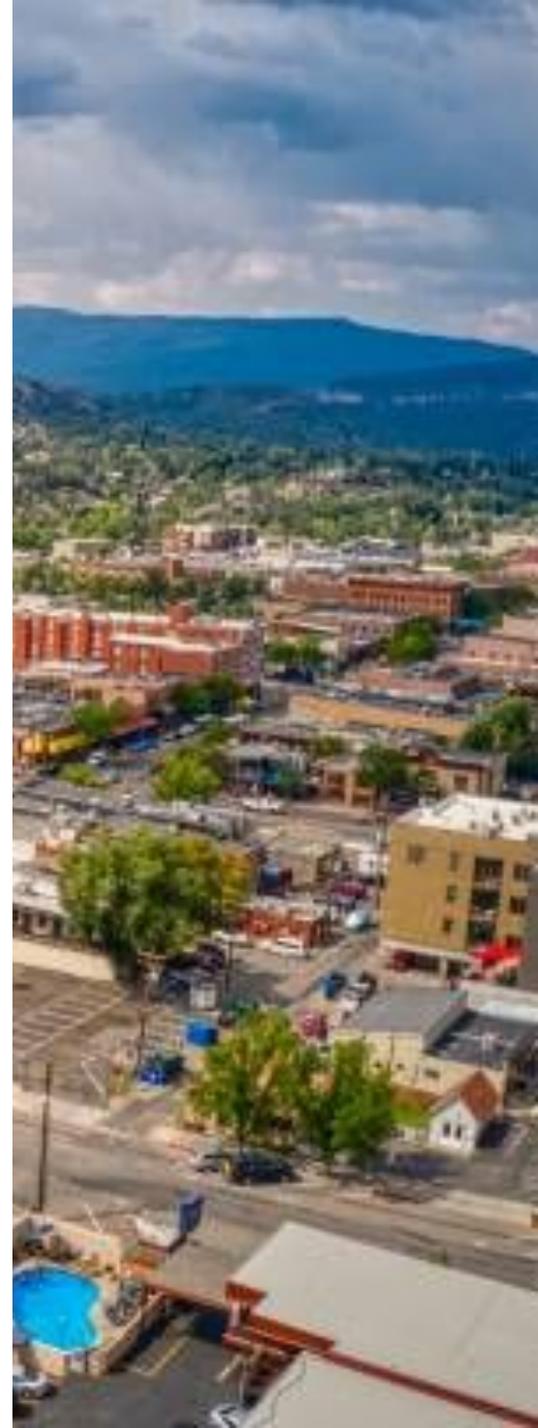
Creating these policies requires thoughtful analysis and a balanced approach. Local market conditions will also influence what is feasible.

An example—when we had a discount of 25% between market and our product we did a price cap, when it was less than that we did a share in appreciation.



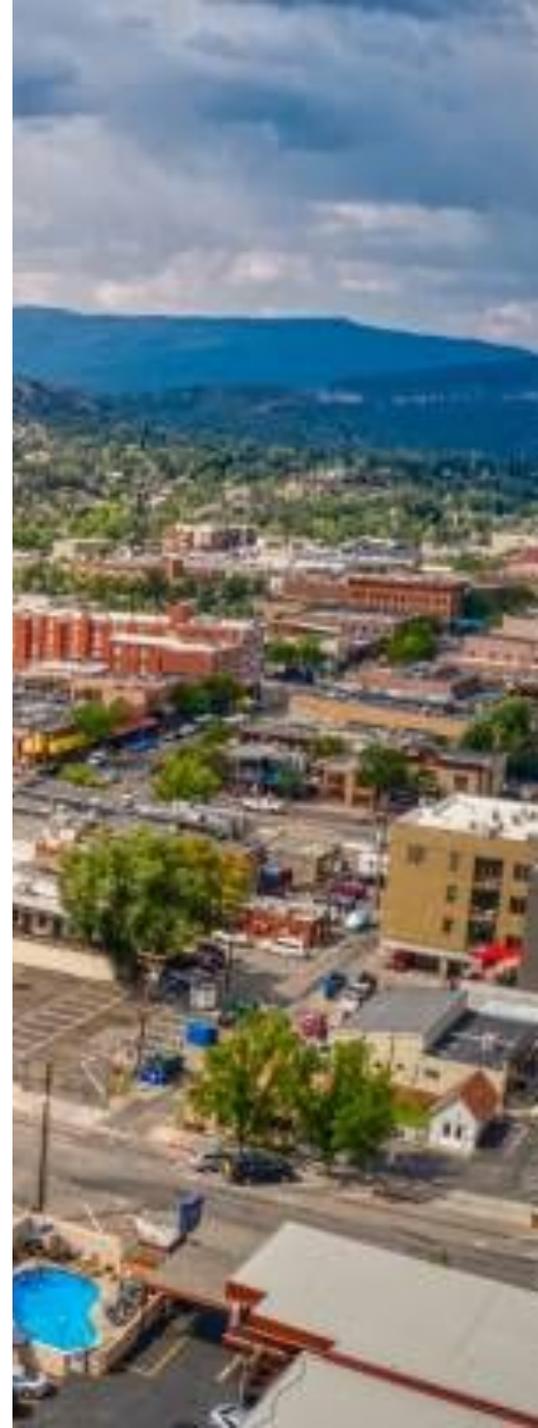
Capacity Building Strategies

- Always look to see what housing programs exist in your area and what they are doing and if they can expand.
- Regional agencies, multi-jurisdictional housing authorities and intergovernmental agreements can build local capacity.
- Create opportunities to support private developers interested and willing to create new below-market housing opportunities.
- Some communities do not have enough local development expertise and you will need to import development partners with expertise in tax credits and below market financing through government loan programs—
- When communities want to work with developers from outside their area it may require incentives to bring them in—discounted land, predevelopment resources.



Define Roles at the Community Level

- **Local Governments**—develop and implement policies that can be critical to siting new projects, preserving existing units and defining where housing can be located throughout the community. They can also provide funding, land, and political support for competitive funding pools.
- **Nonprofit Partners**—typically provide services to connect people to housing or help them to retain it. Some also develop housing.
- **Developers (for profit and nonprofit)**—focus on the creation of new units. Developers vary in expertise, market focus and housing type.
- **State and Federal Agencies, Private Investors**—steer what below market projects can be funded and are the primary funding source for new development.



Engaging Local Employers



- Start with a survey on how housing impacts employees and businesses, ask how they want to be part of a solution.
- Work with employers to identify resources including potential redevelopment sites, funds for direct assistance to employees, or to create a collective impact model.
- Often times an employer can jump start an initiative more quickly than government.
- Employers are a unique power base for local policy initiatives as well.

Examples of Employer Initiatives



- Donating or leasing land for a for-sale or rental housing project for employees
- Creating a housing navigator position
- Providing housing stipends or shared transportation
- Providing mortgage assistance through an employer mortgage fund
- Master leasing units
- Sponsoring a motel conversion

Public Sector Strategies

- Repurpose underutilized assets.
- Identify redevelopment opportunities
- Create public will for increased residential development.
- Identify incentives like predevelopment funding to activate public sites.
- Fund and support nonprofit partners to scale efforts when possible and build local capacity for the long-term.
- Identify/create a local dedicated public funding stream for housing.



Photo credit: *The Durango Herald*

How We Fund Housing at the State Level

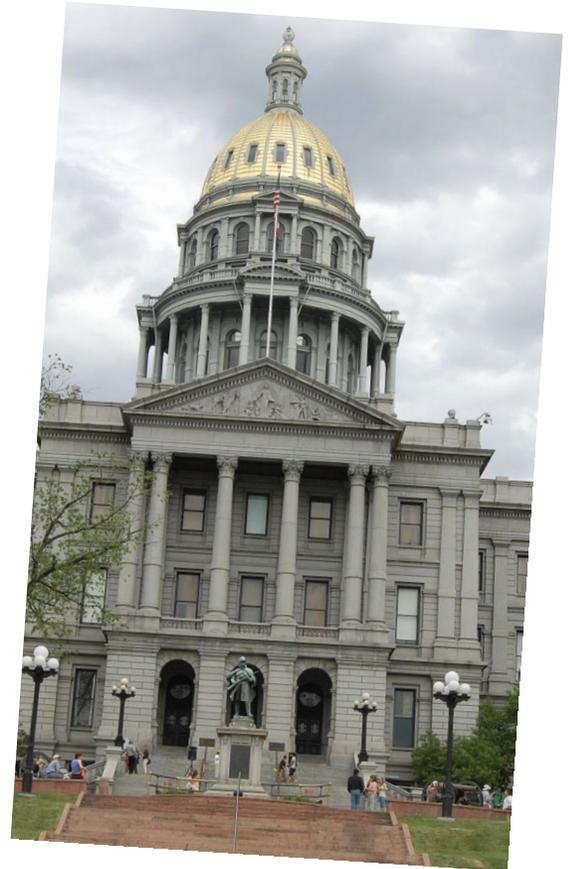
2020-2021 DOH Investments Along Housing Spectrum					
	Funding	Units	% of \$	% of Units	\$/Unit
Homeownership	\$ 4,946,137	285	11.3%	10.1%	\$17,355
Rental	\$ 28,335,409	1,968	64.8%	69.7%	\$14,398
PSH	\$ 3,626,234	335	8.3%	11.9%	\$10,825
Transitional	\$ 6,578,880	223	15.1%	7.9%	\$29,502
Shelter	\$ 223,826	11	0.5%	0.4%	\$20,348
Total	\$ 43,710,486	2,822	100.0%	100.0%	\$15,489

State Housing Initiatives - *Legislative*

A number of bills tied to ARPA funding are in progress, and they act on the recommendations of the state's Affordable Housing Task Force.

For example, **HB22-1304** (introduced on 3/16)
State Grants Investments Local Affordable
Housing

Seeks to allocate \$178 million toward grants to local governments and nonprofits around the state to buy land and develop affordable housing.



State Housing Initiatives - *ARPA Full-Picture*

Total Colorado ARPA Funds - \$5.7B

State Discretionary ARPA Funds (SLFR)

- Total: \$3.8B
- **Housing Earmarked: \$400M**

Local Municipalities & Counties ARPA Funds

- \$1.1 billion for counties
- \$551 million for metropolitan cities
- \$265 million for small towns/cities
- **Housing Earmarked: Unknown**

Strategy Development Process

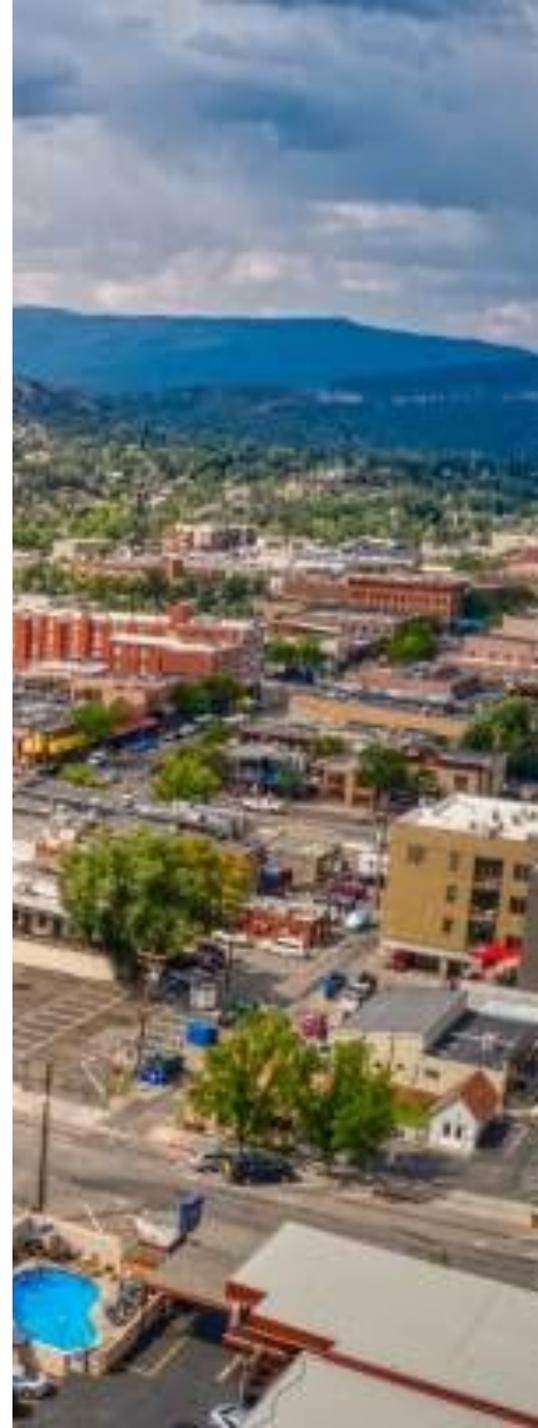
Identify what is already happening through strategic interviews in the community, focusing on themes, interests, resources and opportunities.

Educate local stakeholders regarding opportunities to develop new strategies to address specific needs in the community.

Facilitate community conversations and prioritize strategies while defining roles, resources and specific timelines.

Pull all strategies together and **develop an annual scorecard** for the community.

Develop a method for tracking outcomes across the community. Use this same method to update strategies as needed. Strategies must be led by a specific entity or coalition, have resources to implement, and specific timelines for completion.



Strategy Example: For-Sale — Taos, NM

Opportunity: Significant interest from private community members and philanthropy to jump start solutions. Private community members working on a pilot project—net zero for-sale housing for less than \$300,000 per unit.

Challenge: Lack of homebuyer training program, minimal resources from state government and lack of development partner. Lack of capacity or a central agency to manage initiatives, develop policy and coordinate resources

Solutions: Develop a housing nonprofit that can deliver homebuyer education and connect buyers to mortgage assistance. Assist community members to identify a development partner to undertake activities.

Timeline: Nonprofit formation by July, developer selection by August.

Funds Needed: \$150,000 to launch nonprofit and provide subsidies for the units.

Resources Available: funding support from local government and HOME funds from the state agency

Strategy Example: Rental — Rocky Ford, CO

Opportunity: Local nonprofit developer interested in developing permanent supportive housing

Challenge: Lack of sites, nonprofit has limited development capacity and rural market is challenging to provide demand for housing.

Solutions: Hire a housing consultant to support development process and access a grant to undertake a local tally count of the unhoused to gather more information about persons needing PSH in the region.

Timeline: Hire consultant and develop a project within 24 months.

Funds Needed: \$100,000 in pre-development funds and \$20,000 for tally count

Resources Available: Funds from national organizations (Enterprise, LISC and Neighborworks)

Sample Strategy Tool

Strategy Title	Implementor	Strategy Description	Target Population (AMI)	Rental/ For-Sale/ Other	Timeline	Resources Available/year for Implementat
Resources						
Housing Fund			▼	▼	▼	
			▼	▼	▼	
			▼	▼	▼	
Land Donation			▼	▼	▼	
			▼	▼	▼	
			▼	▼	▼	
Mortgage Assistance			▼	▼	▼	
			▼	▼	▼	
			▼	▼	▼	
Predevelopment Fund			▼	▼	▼	
			▼	▼	▼	
			▼	▼	▼	
Fee Waivers			▼	▼	▼	
			▼	▼	▼	
			▼	▼	▼	

Keep in mind...

- For-sale housing is the hardest to do now because of rising costs of construction and the lack of public subsidy for for-sale product
- Key strategies include free land, modular construction, multiple subsidies (land, household, infrastructure)
- It's also important to have a pipeline of buyers ready to purchase units and to understand what they can afford so product aligns with the pipeline
- For rental projects, most are funded through complex federal programs and require highly experienced development groups. Communities have an opportunity to select development partners if they have identified sites, predevelopment resources, etc. It's ideal for communities to select developers versus a developer coming in on their own
- Not all developers deliver product, work with the community once the property is available, etc.

And on a final note...

Housing development takes years, and it takes consistent effort and leadership. Projects often have 9 lives (just like cats).

We did not get into this mess overnight and we will not be able to address it quickly either. However, policies often can be implemented more quickly than new development can be completed.

More than ever, the solution to housing will require multiple complex strategies and additional resources, especially at the local level. The federal government has underfunded housing for decades and we can't rely on it to catch up or remedy the markets in the short-term.

Innovation and creativity are needed now—and there are some interesting models developing. Modular is on the rise, new housing types are being developed, we're seeing creative repurposing of existing facilities as well as creative sources for local and state trust funds.

Communities have to continue to multi-task—you need to do big picture strategy development while you work on a specific development projects.

Don't reinvent the wheel—there are lots of good examples out there for housing strategies.

Where to Find Consultants or Expertise

CHFA's Small scale Housing Technical Assistance program: [CHFA Technical Assistance](#)

DOLA Resource Page: <https://cdola.colorado.gov/1271>

Identify your Division of Housing Development Specialist:
<https://cdola.colorado.gov/housing-development-specialists>

Ask other communities for references.



Q&A and Panel Discussion