



# Stakeholder Committee Agenda

**April 14, 2016**

- 11:30am Welcome, Review of Previous Mtgs
- 11:40pm Update on Nexus Study and Homeownership Meeting
- 11:50pm Governance Best Practices
- 12:10pm Overview of Governance Proposal
- 1:00pm Next Steps

*Meeting may end early*

- Committee convened to **provide feedback and to help shape** a package of policies that will be designed to generate *at least* \$150 million for affordable housing over 10 years.
- No formal recommendations requested from this group, we may not all reach consensus on all pieces, but feedback and ideas along the way are expected to influence and improve the package.
- We recognize many individuals represent associations, and may be speaking only as individuals until their associations take formal action.

## Last meeting in March:

1. Group generated suggestions for eligible and non-eligible uses, along with some additional considerations
2. Breakouts on the values that are important on Governance, to whom, why



# Updated Timeline of Nexus Study

TASK	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Task One: Project Initiation	→						
Task Two: Develop and Refine Residential and Non-Residential Prototypes		→					
Task Three: Residential Nexus Analysis			→				
Task Four: Non-Residential Nexus Analysis			→				
Task Five: Affordability Gap Analysis and Calculation of Maximum Allowable Fees			→				
Task Six: Feasibility Analysis				→			
Policy Recommendations				→			
Public Review Draft						→	
Final Report						→	

Held homeownership specific meeting on Thursday, April 7 to discuss strategies for homeownership development and terms/factors for consistent investments

Will work over the coming months to have a similar strategy and investment conversation with other housing stakeholder groups

- Sub-committee met five times
- Looked at best practices from other cities, varying from independent bodies to systems wholly contained within city departments
- Focused on model that involved a strong body of external stakeholders but operating within the City

- Most peer cities have a governance body made up of members with housing expertise
  - Primary role is to **shape housing policy and identify priorities for the use of housing funds**
- Most peer cities have some form of committee to review project applications
  - Usually made up of **internal city staff with final project approval from a Housing Director or Mayor**

Dedicated local housing fund source:

- Property tax mill levy, approximately \$20M annually
- Incentive zoning in lieu fees, approximately \$6-8M annually
- (New in 2015) Commercial linkage fee

Governance Process	Governing Body	Membership
Background Research and Data Collection to Inform Policy Agenda	Office of Housing Staff	N/A
Recommended Priorities for Use of Housing Funds	Levy Oversight Board (Advisory)	For/non-profit experts in housing finance, development and policy
Final Approval of Priorities for Use of Housing Funds	City Council - 3 year spending plan Director of Office of Housing - annual action plan	N/A
Loan Review of Project Proposals	Credit Committee	Office of Housing Staff, Department of Finance
Final Approval of Projects	Director of Office of Housing	N/A
Public Processes	Meetings of Board posted online and open to public	N/A



Dedicated local housing fund source:

- General Fund, approximately \$50M annually
- Recordation taxes, approximately \$20-50M annually

Governance Process	Governing Body	Membership
Background Research and Data Collection to Inform Policy Agenda	Department of Housing and Community Development Staff	N/A
Recommended Priorities for Use of Housing Funds	Mayor’s Housing Advisory Board	For/non-profit experts in housing finance, development and policy
Final Approval of Priorities for Use of Housing Funds	Director of Housing and Community Development	N/A
Loan Review of Project Proposals	External Loan Review Committee	Housing Staff, Representatives from Mayor’s Housing Advisory Board
Final Approval of Project Selection	Director of Housing and Community Development	N/A
Public Processes	Meetings posted online and open to the public	N/A

Dedicated local housing fund source:  
 - Commercial Linkage Fee, approximately \$8-10M annually

Governance Process	Governing Body	Membership
Background Research and Data Collection to Inform Policy Agenda	Neighborhood Housing Trust Staff	N/A
Recommended Priorities for Use of Housing Funds	Neighborhood Housing Trust Staff	N/A
Final Approval of Priorities for Use of Housing Funds	Neighborhood Housing Board of Trustees	Collector/Treasurer, City Council Representative, Housing Experts Appointed by Mayor
Loan Review of Project Proposals	Neighborhood Housing Trust Staff	N/A
Final Approval of Project Selection	Neighborhood Housing Board of Trustees	Collector/Treasurer, City Council Representative, Housing Experts Appointed by Mayor
Public Processes	Meetings posted online and open to the public	N/A

- Core values from March stakeholder discussion and governance sub-committee:
  - Accountability
  - Transparency
  - Inclusiveness
  - Flexibility
  - Data Driven/Goal Oriented

Current: 7 member Mayor's Housing Advisory Committee (MHAC) provides feedback and policy direction on housing, formed as part of the Housing Denver planning process

Proposed: Revamp MHAC into a 15 member body established by ordinance

- Members nominated by Mayor and City Council
- Members would be confirmed by Council similar to other commissions across City, and would serve staggered two year terms
- Body would elect its own officers (chair, vice-chair and secretary) to serve two year terms

## Ex-Officio Members:

- Executive Director of the Office of Economic Development
- City & County of Denver Chief Financial Officer
- Executive Director of the Denver Housing Authority
- Executive Director of the Colorado Housing and Finance Authority
- Executive Director of the Colorado Division of Housing

Ex-Officio Members would be confirmed by Council but not limited to two year terms

## Members appointed by Mayor, confirmed by Council

- CCD representative with expertise on homeless services
- Private homeless provider representative
- Community Housing Development Organization representative
- Impacted community rep (e.g. resident of deed-restricted housing)
- Major employer representative
- For-profit real estate industry representative
- At-large community member

## Members appointed and confirmed by Council

- Member of Denver City Council
- At-large community member
- At-large community member

Body would make recommendations through the Office of Economic Development to the Mayor.

Responsibilities would include:

- Recommend goals and objectives to inform an OED-written 3- to 5-year strategic plan for the Permanent Fund, to include:
  - AMI ranges
  - Rental and ownership
  - Supportive services
  - Land banking
- Recommend annual strategic action plan to inform affordable housing budget priorities for the coming year.

Recommend:

- New programs
- Metrics to be tracked
- Community engagement strategies
- Housing priorities, including geographic priorities, to meet community needs
- Methods to leverage and maximize dollars
- Annual budget priorities

Governance Body would also review annual and semi-annual performance report from OED staff. Performance report also would include outlook and projections.



# Governance Body Logistics and Process

- Proposed Governance Body would be staffed by OED, providing data and analysis to inform recommendations on fund goals and policy direction
- Body would meet monthly in publicly noticed and open meetings
- Minutes would be recorded and published online
- Governance Body Members would be subject to City's Code of Ethics and Conflict of Interest policies

- City Council would continue to recommend adjustments to and ultimately approve housing budget line item based upon recommendations in annual plan and 3- to 5-year plan
- Continue to approve contracts above \$500,000

<u>Formal Budget Book Line Item</u>	<u>What it Includes</u>
Services and Supplies	1) \$ for production investments throughout the year 2) Any new or on-going non-production program expenses (cash for supportive services, vouchers, etc.) 3) Any consultants, economic analysis, studies, etc.
Personnel	City Staff for any department charged to fund (OED, CPD, Legal)
Reserves	Funds set aside for use in future years or for unanticipated expenses
Narrative	A description of the department’s goals and how it will measure progress in the coming year

Values	Components of Proposal that Address Value
Accountability	<ul style="list-style-type: none"> <li>• Governance Body created by ordinance</li> <li>• Members nominated by Mayor and Council, confirmed by Council</li> <li>• Elected officers</li> <li>• Annual and Semi-Annual Reports</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>• Publicly noticed and open meetings</li> <li>• Recorded minutes available online</li> </ul>
Inclusiveness	<ul style="list-style-type: none"> <li>• Composition of body includes public, private, provider, and community representatives</li> </ul>
Flexibility	<ul style="list-style-type: none"> <li>• Recommend new programs, metrics, community engagement strategies, geographic priorities, leverage opportunities, etc.</li> </ul>
Data Driven/Goal Oriented	<ul style="list-style-type: none"> <li>• 3-5 year strategic plan</li> <li>• Annual action plan</li> <li>• Staffed by OED with metrics and analysis to inform recommendations</li> </ul>

- Structure
  - The formal bodies, departments and/or legal processes that oversee funds
- Systems
  - Internal practices for administering and distributing funds, rules for use of funds, reporting etc.

- Increase dedicated staff responsible for implementation and execution of housing investments
- Create transparent and consistent terms for housing investments
- Create competitive programs and streamline investment decision making
- Continue to engage stakeholders in developing creative policy solutions

- Public Meeting on proposed dedicated revenue on Tuesday, April 26 from 6-8pm at East High School
- May Stakeholder Meeting – discuss nexus study results, *date may be subject to change*
- June Stakeholder Meeting – discuss combination of linkage fee and property tax, *date may be subject to change*