

CITY COUNCIL COMMUNICATION



MEETING DATE: May 21, 2013

ITEM NUMBER: 6.B.

SECOND READING: N/A

TYPE OF ITEM: Special Presentation

PRESENTED BY: Kathy Fedler, CDBG Coordinator, kathy.fedler@ci.longmont.co.us
303-651-8736
Workforce Housing Task Force Members

SUBJECT/AGENDA TITLE: Workforce Housing Task Force Presentation of Recommendations

EXECUTIVE SUMMARY: In November 2011, a twenty-two member Workforce Housing Task Force (Task Force), representing a diverse cross section of the community, was appointed by the City Council. The purpose of the Task Force was to look at future strategies to determine the need for affordable housing in Longmont to house our workforce and to make recommendations to Council on how to address that need. Using the data provided by the Longmont Area Housing Market Analysis Report (prepared for the Task Force by Community Strategies Institute), combined with a lengthy education process that included background information on previous and existing affordable housing programs and providers, the Task Force identified affordable housing needs in Longmont. Subcommittees were formed to research and develop recommendations covering five areas: Funding, Affordable Homeownership Strategy, Affordable Rental Strategy, Meeting the Needs of the Times/Coordinating a Sustainable Approach to Affordable Housing, and Diverse Affordable Housing as a Community Value.

Using the information gathered by the subcommittees and community feedback from three community outreach opportunities, the Task Force produced overarching goals, clearly stated values supporting the goals, priorities within the goals and action steps for reaching the goals. The Diverse Affordable Housing as a Community Value subcommittee's recommendations became an overarching goal with a common theme woven into all the recommendations. Each category is presented in full in the body of the report. The overarching goals and values, which are supported as a whole by the Task Force, are summarized below.

The Task Force used a Consensus Decision-Making model throughout the process of developing recommendations. The intention of the consensus model is to amicably address all concerns and conflicts surrounding a proposal so that everyone can support the decision. Ideas or proposals are introduced, discussed, and revised as necessary, before reaching the point of decision. If consensus was not reached in two attempts, a simple majority vote was taken. A quorum was needed to vote or make a consensus decision on an issue. It should be noted that each and every recommendation in this report was approved by the majority of the Task Force members; most were reached under consensus, but all were supported by the majority of Task Force members. For recommendations that could not reach consensus and went to a vote, the group felt it was important that the members that voted in the minority should be able to state their point and those opinions be included in this report. Therefore, minority opinions could be written in



response to the majority vote and submitted under established deadlines in order to be included in the final work product.

Overarching Goals:

- To provide strategies for designing and funding affordable housing programs that assist lower wage earners in Longmont to obtain affordable rental housing and income-eligible individuals and families in the workforce to obtain and maintain homeownership.
- Any affordable housing program must recognize community goals, set benchmarks and be designed to consider changes in the economy, community, market, and environment to ensure long-term sustainability and flexibility.

Values:

- Housing in Longmont should continue to be available to all socio-economic levels so those who work in Longmont can choose to live in Longmont. Government, non-profit and private for-profit entities involved in housing should continue to work collaboratively to support affordable housing needs.
- Housing regulations must be market sensitive in a way that encourages development of a diversity of housing choices in response to community needs and economic fluctuations while maintaining a good balance between jobs and housing.
- Diverse affordable housing is a positive community attribute that provides access to a wide variety of types of affordable housing within the City and that promotes self-sufficiency, creates a stable, vibrant community and is attractive to both employers and employees. Housing programs should be flexible, scalable, and driven by the market when possible.
- Funding should support the development and revitalization of our community in a way that fosters a mix of housing types and avoids clustering low-income housing in particular neighborhood planning areas and school attendance areas. It should be broad based and supported by the community and act as “patient capital” (long-term, below market, low-cost loan) returning to the Affordable Housing Fund.
- The City should help provide quality affordable rental housing for lower income wage earners.
- The City should support programs and strategies that assist low- to moderate- income households to achieve new and continuing homeownership opportunities using new construction, existing housing stock, and properties requiring rehabilitation. Deed restrictions should not be a part of homeownership programs except as required by funding regulations and the ability to enter and exit the program should be considered in the design.

Recommendations:

- Contribute to the existing self-sustaining revolving trust fund; (a) an annual allocation target of \$1,000,000 per year; (b) in addition to the existing trust fund balance, add a principal of \$10,000,000 to be used as seed investment in the development, acquisition,

and re-development of the ongoing creation of diverse housing options and the revitalization of areas within Longmont. Any funding source utilized will sunset on the anniversary after reaching \$10,000,000.

- Using established funding sources, continue to support Down Payment Assistance, Homeowner Education and Housing Rehabilitation programs.
- Focus the majority of the Affordable Housing Fund to rental properties; allocate only a limited amount to homeownership opportunities.
- Continue to use, if needed, a portion of the Affordable Housing Fund to support non-profit homeownership programs.
- With regard to individual homeowners, provide homeownership programs with no deed restrictions unless required by law or regulation.
- Continue loan programs to support non-profit housing providers.
- Develop a plan which will support the preservation of current rental housing stock, particularly multifamily rental units focusing on minimizing the loss of existing rental housing for workforce lower income wage earners.
- Create programs that will result in the construction of new affordable rental housing targeted to households below 50% AMI.
- Ensure affordable rental properties meet minimum standards of habitability.
- Plan for additional residential growth that creates an average of 50 affordable rental housing units per year, while continuing to encourage the development of market rate rentals in order to meet the needs of Longmont's residents and workforce. An average production of 50 additional affordable units per year is based on the historic production and reflects a three to five year development timeline from planning to construction for the developers. It is important to note that this cannot be achieved without additional funding and will not keep up with the stated housing need in the Market Analysis.
- Mixed income housing units should be dispersed throughout the City providing a variety of housing types within each neighborhood planning area.
- Provide incentives for the private sector to work cooperatively with the City and non-profit agencies to develop more housing opportunities for low- and moderate-income households to meet the housing demands of Longmont residents, employers and employees.
- Long-term sustainability for any housing program must consider changes in economic, community, market, and environmental trends. Of particular importance is the fact that Longmont is nearing "build-out" and the shortage of land for new development will push housing prices up and put an additional strain on affordable housing for working families. This may require City assistance to support and facilitate creative approaches to re-

development within the current boundaries of the city of Longmont. These trends, along with benchmarks and community goals, must be specified and built into the program.

The City would like to acknowledge the hard and dedicated work of the Task Force members. They met for a total of 16 months, meeting monthly from January, 2012 through January, 2013, and then every other week from February through May. Each member provided an average of 74 hours during this period. In addition, Task Force members worked in subcommittees and an additional 8-32 hours of time was spent by each member. They worked to educate themselves thoroughly on the housing needs of the community so they could all come from about the same level of knowledge. Guest speakers were brought in to discuss various parts of the city's development process and housing developers provided information on their business models. A third party, independent consultant was chosen by the Task Force to provide additional analysis of the housing needs and gaps impacting the workforce in the community. This analysis formed the backbone for the recommendations of the group.

The presentation on May 21 will highlight the important points and/or recommendations the Task Force wishes Council to consider. It is a value of the Task Force that people who are employed and work in Longmont should be able to live in Longmont if they desire. There is a cumulative need for over 3,425 rental housing units in Longmont for working families with incomes at or below 80% of the AMI. 1,449 rental units are needed to be affordable to households with incomes at or below 50% of the AMI. This Task Force believes that Longmont must plan for additional residential growth that creates an average of 50 affordable rental housing units per year to help meet this need, while continuing to encourage the development of market rate rentals in order to meet the needs of all of Longmont's residents and workforce. An average production of 50 additional affordable units per year cannot be achieved without additional funding and that is why the Task Force is recommending that \$1,000,000 a year be dedicated to the Affordable Housing Fund (up to a cap of \$10,000,000) in order to address this need.

The Task Force intended their recommendations to offer a more general direction for Council to consider at this time, with the understanding that Council would provide further direction about which recommendations staff should continue to explore and develop with more specific implementation strategies. The Task Force wanted to ensure ultimate flexibility for reacting to market and economic changes, recognizing tools that might work in one neighborhood of the city wouldn't necessarily be appropriate in another area.

COUNCIL OPTIONS: Provide direction to staff about how to move forward including, but not limited to:

- Direct staff to implement one, more, or all of the recommendations
- Direct staff to look further into select recommendations or issues and bring back additional information
- Accept work of Task Force and bring back for further discussion and direction
- Provide other direction to staff

RECOMMENDED OPTIONS: Council to provide staff direction.

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION: N/A at this time

BACKGROUND AND ISSUE ANALYSIS: (See Attachment #1)

ATTACHMENTS: Workforce Housing Task Force Report to Council