

# Affordable Housing SubPanel Recommendations for Funding Considerations for Administering Agencies for State and Local Fiscal Recovery Funds Under HB21-1329

All funding decisions made by the administering agencies of these funds in Colorado should be made pursuant to the most current federal regulations and guidelines promulgated by the US Department of Treasury. The following funding considerations will be secondary to federal guidance and are provided below in no particular order. The SubPanel also recognizes that some considerations may achieve more than one of the proposed goals.

## Project Prioritization

Consistent with federal guidance, DOH, CHFA, and other administering agencies should give preference to projects and initiatives responsive to local priorities and needs, particularly those that:

- Ensure long-term affordability;
- Have sustainable energy impact of green build component;
- Are in geographically diverse communities that are actively working to reduce barriers to developing affordable housing (i.e., similar approaches as identified in HB21-1271)
- Have a measurable impact on workforce development;
- Are targeted to and/or have involved specific impacted populations identified in the SubPanel Funding Recommendations, federal regulations/guidance recognizing that all projects and initiatives must be responsive to communities disproportionately impacted by COVID; and/or
- Seek to prevent involuntary displacement. \*

## Recommendations for Agencies to Help Ensure Flexibility

- Ensure grant and loan applications are easy to access and use, straightforward, and streamlined;
- Allow for Area Median Income (AMI) flexibility in geographic areas where cost of living and income standards are not consistent with current AMI restrictions especially in rural and rural resort areas;
- Make/provide considerations for non-entitled communities and communities that have traditionally not had access to state funds; \*
- Provide flexible capital resources beyond tax credit projects; \* and/or
- Avoid strict requirements for all projects (i.e., do not require high-density development or ADUs where not a necessity for communities that have more space.)

\* Indicates alignment with the Strategic Housing Working Group's recommendations.

Note: Many funding recommendations previously made by the Subpanel also align with SHWG recommendations but are not discussed here.

## Recommendations for Agencies to Ensure Timeliness of Funding

- Fast-track applications, contracting, and distribution of funds;
- Report out regularly on availability of funds, applications pending for funds, and anticipated recapture of funds;
- Provide funding to administering agency for capacity, staff, expertise, technical assistance, etc.;
- Provide direct funding instead of just gap financing and loan funds; and/or
- Reduce partnership requirements depending on local community capacity and reduce need to engage in lengthy processes for receiving intergovernmental agreements.

## Recommendations for Agencies to Ensure Leveraging

- Administer loans and grants for specified programs through DOH and within current mechanisms;
- Administer loans beyond DOH programs/mechanisms through CHFA;
- Lend at low interest / below market loans (i.e., 0.5-1.0%);
- Educate borrowers and lenders on the process and timeline for recuperation of funds for re-use;
- Provide timely public reports of timeline for recapture of funds for organizations to plan for applying for funds; and/or
- Ensure that all un-used funds revert to Housing Development Grant Line or other ARPA funding lines that are over-prescribed.

## Recommendations to Ensure Equity

- Prioritize/ensure development for populations most in need including those at risk of or experiencing housing insecurity or with historical barriers in accessing safe, quality housing;
- Ensure development is provided across the housing spectrum through AMI targeting and/or project targeting at specified project types for identified populations in need;
- Reduce barriers for organizations and households (i.e., use funds consistent with HB 1054);
- Identify non-traditional partners working with targeted populations;
- Invest in property that could be used for future development;
- Invest in targeted outreach and education to ensure resources reach and meaningfully engaged marginalized communities; and/or
- Evaluate projects by geography \*
  - Per unit subsidies should align with community attributes and standards
  - Consider impact of Short-Term Rental market on affordable housing.

## Other Considerations

- Evaluate projects on intended outcomes and actual impact on communities and populations;
- Use funds to support administering agency capacity, staffing, and expertise to get money out quickly and efficiently; and/or
  - Set targets for how funds will be distributed and regularly report out on progress (i.e., for permanent supportive housing and 30% AMI and below rental, traditional/LIHTC rental and preservation, for property conversion and/or transitional housing, and for home-ownership or rehabilitation).