

# Summary of Affordable Housing Draft Priority Funding Recommendation Options

In no particular order, the following recommendations were identified through subpanel discussion and survey.

- A. **Revolving Loan Fund:** Develop or fund  flexible low  interest revolving loan fund to support development of new affordable housing units, either rental housing or for-sale homes, in diverse geographic communities where the economic impact of COVID has significantly impacted housing affordability and availability. This includes rural, resort, mountain, and small communities throughout the state. Funds should be able to be put toward a variety of uses needed locally to get the project off the ground, such as to purchase property, purchase existing infrastructure, construction costs, predevelopment costs, and development of other infrastructure such as water and sewer. Should be limited to a maximum of 20% of project funding. Can include mixed income development projects.
- B. **Tax Credits:**  Expand gap funding for 4% LIHTC transactions, including the ability to purchase existing affordable housing and multi-family structures. For example, the state's allocation could be increased, or separate funding could accompany state allocations to bypass limits on private activity bonds.
- C. **Nonprofit and Local Government Grants:**  Direct funding to local governments and nonprofits for purchase of land for and development of  supportive, rental, and for-sale housing targeted at populations disproportionately impacted by COVID. Ensure flexibility of funding, including allowing for operating grants to community-based organizations and local governments, particularly in small, rural, and mountain resort communities so they can best meet their own development needs. Also allow for grants to community-based organizations for housing navigation/rehousing supports, timely deployment of assistance, and technical assistance.
- D. **Protect Current Mobile Home Housing:** Provide grants and loan funding for purchase by mobile homeowners or community organization  under the Mobile Home Park Act in order to prevent eviction and displacement, especially among communities disproportionately impacted by COVID.
- E. **Maintain Existing Affordable Housing:**  Direct funding for preservation, retrofitting, renovation, capital improvements/repairs of current affordable housing stock available for populations/households disproportionately impacted by COVID with commitments for long-term affordability. This should include investments for 1) seniors to age in place, 2) remediation of low-quality/condemned properties (with focus on ADA compliance), 3) weatherization and energy improvements to multi-family and single-family residences to retain/improve quality of affordable homes/rentals, and 4) programs or initiatives to ensure existing housing remains affordable for local workforce or community households.
- F. **Loan Fund for Preservation of Existing Affordable Housing:**  Develop or fund a flexible low-interest revolving loan fund to support purchase of existing affordable housing units, either rental housing or for-sale homes, in diverse geographic communities where the economic impact of COVID has significantly impacted housing affordability and availability. Funds (mezzanine?) can be used in conjunction with LIHTC to preserve existing assets. Priority given to efforts to proactively reach out to LIHTC properties

nearing the end of both the affordability period and the compliance period to see if they are interested in selling.

- G. **Resident Owned Communities and Land-Banking**  Direct funding for land-banking, land trusts, and community-owned land opportunities prioritized for communities and populations disproportionately impacted by COVID. Invest in resident-owned community (ROC) infrastructure to facilitate the purchase by residents of properties that may be coming up for sale or whose deed restrictions might be coming due.
- H. **Transitional Housing**  Develop and build transitional housing for those leaving congregate settings (criminal justice, hospital, shelter, etc.) as well as for those who are experiencing homelessness with behavioral health needs. This includes funding to rehabilitate under-utilized properties by increasing direct funding for acquisition/ conversion of motels/hotels, underutilized government-owned property, commercial properties, or other land or property for immediate conversion into transitional or long-term housing or shelter with set-aside or matched funds for operations to quickly resolve homelessness throughout the state. This recommendation utilizes the authorization and funding mechanism created in SB21-242. Combine with Behavioral Health Transformation Task Force funding to provide behavioral health and wraparound services. This may include seed funding and grants for transitional rental voucher program.
- I. **Ongoing, Longer Term Rental Assistance/Subsidies**  Provide rental subsidies, such as through a voucher program, or multi-year shallow rent subsidies for households disproportionately impacted by COVID and at risk of losing their home or in need of rapid re-housing; or additional funds to the state's Eviction Legal Defense Fund given ongoing COVID-related evictions/renters' need. This recommendation could include seed funding for an ongoing emergency rental assistance fund so that people do not lose their rental home because of a personal or unavoidable crisis. May also assist property owners of affordable rental housing (80% AMI or less) with tenants who have been unable to pay rent due to economic or health impacts of COVID.
- J. **Mortgage Assistance**  Provide mortgage assistance targeted for populations disproportionately impacted by COVID. Mortgage assistance is to keep people housed through the remainder of the COVID crisis and to serve as seed money for an ongoing emergency funding source in perpetuity so that people do not lose their housing because of a personal or unavoidable crisis.
- K. **Down Payment Assistance**: Provide down payment grants targeted for populations disproportionately impacted by COVID and with historic barriers to access affordable housing. Down payment assistance is to help people disproportionately impacted by COVID and with historic barriers to access to affordable housing to be able to purchase a home. 
- L. **Social Impact Loan Program to Address Homelessness**: Create a revolving loan fund for best practices, interventions, pay-for-success performance-based models for people experiencing homelessness like the Denver Social Impact Bond or transitional/alternative housing programs for local communities to leverage state dollars in order to provide housing and supportive services for targeted populations of people experiencing or at severe risk of homelessness. 

**M. Permanent supportive Housing and Supportive Services Fund:** Develop and build permanent supportive housing for individuals experiencing homelessness and those living with disabilities, including behavioral health disorders. Combine with Behavioral Health Transformation Task Force funding to provide wraparound services. Invest in supportive services fund for existing affordable housing programs that do not have tenancy support services funding to keep people stably housed.

