

MEMORANDUM

TO: MAYOR AND CITY COUNCIL

THRU: Rebecca Clark, Director of Community Planning and Development
Tami Fischer, Director of Housing and Family Services

FROM: Roger Wadnal, Manager, Comprehensive Planning and Research
Amy DeKnikker, Associate Planner
Kim Buehler, HOME Manager

DATE: September 20, 2007
City Council Study Session Date: October 1, 2007

SUBJECT: 2008-2012 Housing and Community Development Plan
2008 Community Development Block Grant One Year Action Plan
2008 HOME Investment Partnership Grant One Year Action Plan

RECOMMENDATION

Staff recommends that City Council:

Direct Staff to prepare a resolution to be brought forward at the City Council regular meeting on October 8, 2007, endorsing the 2008-2012 Housing and Community Development Plan and supporting the recommended programs and funding levels for the 2008 One Year Action Plan.

BACKGROUND

The U.S. Housing and Urban Development Department (HUD) will grant funds to the City of Lakewood for housing and community development activities once the 2008-2012 Housing and Community Development Plan and the One Year Action Plan for the 2008 Program Year are reviewed and approved by City Council. An estimated \$939,615 in Community Development Block Grant (CDBG) funds and estimated \$569,099 in HOME Investment Partnership funds will be available in 2008.

Community Development Block Grant (CDBG) Program: The purpose of the CDBG program is to enable communities to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community services and facilities. The national goal of the CDBG program is to develop viable communities.

All activities undertaken with CDBG funds must address one of the following three objectives:

1. Benefit low- and moderate- income persons.
2. Aid in the prevention or elimination of slum ad blight (as defined by the community).
3. Address urgent community development needs that present a serious and immediate threat to the health or welfare of the community.

HOME Investment Partnership (HOME) Program: The purpose of the HOME program is to expand the supply of affordable rental housing units available to low-income households and to assist with the development of affordable single-family homes to low-income homebuyers.

Both CDBG and HOME activities must also satisfy additional HUD eligibility requirements and address a local objective outlined in the community's Housing and Community Development Plan.

2008-2012 HOUSING AND COMMUNITY DEVELOPMENT PLAN (HCDP)

The City of Lakewood's 2008-2012 Housing and Community Development Plan (HDCP) is the City's comprehensive planning document for the CDBG and HOME programs for years 2008-2012. The plan identifies Lakewood's housing and community development needs and develops objectives and strategies to meet those needs. The HCDP is used by HUD and the City of Lakewood as the guiding document for future funding, program management and evaluation. As mentioned above, all CDBG and HOME activities must address a local objective outline in the HCDP.

Priority Needs and Objectives: Three priority needs and objectives have been identified for the City of Lakewood and identified in the HCDP:

Needs: *Housing, Supportive Services, Community Development*

The following three **objectives**, equal in importance, have been developed to meet those needs:

1. *To provide opportunities for affordable housing that is healthy, decent and safe.*
2. *To provide and encourage services and activities that benefit low-income families and individuals.*
3. *To provide resources to preserve and improve target area neighborhoods and transportation corridors.*

Public Participation and Plan Development:

During the past several months, a core staff team representing the departments of Community Planning and Development and Housing and Family Services met often to draft a plan that was responsive to current

conditions in the City of Lakewood. The plan documents the efforts that the City of Lakewood will take during the next five years to sustain a successful community with the help of CDBG and HOME funds.

Public participation was an extremely important component to the development of the Plan. Staff involved affected individuals, citizen groups, non-profit agencies, housing specialists and all Lakewood residents. Particular emphasis was placed on involving low- and moderate-income residents who directly benefit from programs funded through the CDBG and HOME grants. Comments were solicited over a three-month period beginning in May and ending in August, 2007.

Additionally, the City contracted with consultants, Community Strategies Institute (CSI), to prepare Lakewood's first ever, Housing Needs Assessment, and update Lakewood's Analysis of Impediments to Fair Housing Choice (AI) originally prepared in 1996 and last updated in 2003. These documents are discussed in detail later in this memo.

Resources Available in 2008

Resources Available	Amount
HOME Investment Partnership (HOME) Grant	\$596,099
Community Development Block Grant (CDBG)	\$939,615
2008 CDBG Program Income (estimated)	\$90,000
2008 CDBG Program Recaptured Funds (estimated)	\$50,000
Total CDBG/HOME Resources	\$1,675,714

2008 One Year Action Plan

The One Year Action Plan is included within the Housing and Community Development Plan (HCDP) and lists and describes programs that the City proposes to fund during a specific year to address the priority objectives identified in the HCDP. It also serves as Lakewood's annual funding application for the CDBG and HOME programs. The 2008 program year begins January 1, 2008 and ends December 31, 2008.

BRIEF DESCRIPTION OF 2008 PROGRAMS RECOMMENDED FOR FUNDING

Home Investment Partnership (HOME) Program

Rental Housing Development: Funds acquisition, rehabilitation, and development of affordable rental housing for low-

and moderate- income households.

Home Ownership Assistance: Assists homebuyers with down payment and closing costs.

Community Housing Development Organizations (CHDO)s: 15% of annual HOME funds are reserved and then allocated to activities undertaken by CHDOs to produce affordable housing in Lakewood. Example activities include working with Habitat for Humanity to acquire property for new home construction for low-income and first time homebuyers.

Home Program Administration: Provides oversight, management, monitoring and coordination of the HOME program.

Community Development Block Grant (CDBG)

Single-Family Housing Rehabilitation: Provides low interest loans and/or grants to low- and moderate-income homeowners for renovation of single-family homes to bring them up to National Housing Quality Standards. Grants are provided to ensure homeowners are not forced from their homes due to dangerous or substandard conditions.

Housing Administration: Develops resources and facilitates housing development. Assists with program administration and implementation of a variety of CDBG funded housing related activities.

Neighborhood Cleanup/Code Enforcement: Operates programs in designated CDBG Target Areas that are designed to enhance neighborhood appearance, safety and pride. Some activities include pro-active code enforcement to resolve, junk, trash, and weed problems and neighborhood cleanup events.

Neighborhood Planning: Implements activities to strengthen neighborhoods. Emphasis is given to activities identified through adopted neighborhood plans. Focus is on revitalizing Target Area neighborhoods and improving the quality of life for residents. Some activities include the funding of planning studies for streetscape improvements along West Colfax Avenue and West 13th Avenue.

Public Facilities: Provides needed infrastructure to build and maintain viable neighborhoods, blighted and commercial areas. Sidewalk installation, street paving, and drainage improvements are examples of public improvements that will be undertaken in 2008.

Lakewood Self-Sufficiency Program: Offers a broad range of services to Lakewood residents on public assistance. Services offered through the Department of Housing and Family Services and Stride, a non-profit referral agency, include grant scholarships, case management, referral services, and increased affordable housing opportunities.

Child Care Scholarships: Provides childcare scholarships to low-income families so parents can remain in the workforce or receive job training.

CDBG Administration: Provides oversight, management, monitoring and coordination of the CDBG program.

Section 108 Loan Repayment: Repayment of a Section 108 Loan that was used to develop and construct a Lakewood Head Start Facility and make improvements to Ray Ross Park. Both of the projects are located in CDBG Target Areas.

2008 PROGRAMS RECOMMENDED FOR FUNDING

HOME Investment Partnership

Rental Housing Development	\$397,074
Home Ownership Assistance	\$50,000
Community Development Housing Organizations (CHDOs)	\$89,415
HOME Program Administration	\$59,610
	\$596,099

Community Development Block Grant (CDBG)

HOUSING PROGRAMS	
Single Family Housing Rehabilitation Loan Program (Contract with Jefferson County Housing Authority)	\$100,000
Housing Administration	\$109,075
NEIGHBORHOOD PROGRAMS	
Neighborhood Cleanup/ Code Enforcement	\$84,500
Neighborhood Planning	\$90,000
Public Facilities	\$112,000
SUPPORTIVE SERVICES	
Lakewood Self-Sufficiency Program	\$88,732
Child Care Scholarships	\$52,000
OTHER	
CDBG Administration	\$90,000
Section 108 Loan Repayment	\$350,000
	\$1,076,307

Total CDBG/HOME Grant Funds \$1,672,406

Housing Needs Assessment and Analysis of Impediments to Fair Housing Choice Studies

The City contracted with consultants, Community Strategies Institute (CSI), to prepare a Housing Needs Assessment for the City of Lakewood. HUD requires that the community's housing needs be reported in the HCDP. The City took this requirement one step further by completing an extensive Housing Needs Assessment separate from the Plan. The information obtained in the assessment will prove valuable for the HCDP as well as the entire City. Extensive research was conducted through a review of published reports, census data, surveys, and interviews with Staff, housing service providers, business associations,

neighborhood associations, and affordable housing residents. A copy of the Housing Needs Assessment is included in the packets provided to City Council. The following is a brief summary of the key findings:

- Rental housing needs are greatest for households earning less than 30 percent of AMI and for households in the 60 to 100 percent AMI range.
- More rental units are needed for those with incomes at or below 30 percent of the median. More of these units should be handicap accessible. It is difficult to provide affordable rental units to this income group without deep subsidies either for development costs or in direct payments for rent. In Lakewood, CSI reveals the need for 3,860 more units for households earning less than 30 percent of the AMI. Rents on these units need to be in the \$200 to \$451 range.
- At the other end of the spectrum, more rental units with amenities are needed for households with incomes above 60 percent of the median. These units are commonly referred to as workforce housing units. These units are occupied by households with two wage earners as well as single workers that may be employed across Denver metro area. A contributing factor to the low apartment vacancy rate is the number of single individuals employed in the Lakewood market area. Many of these individuals are currently renting cheaper housing units that could be occupied by larger, lower income households, if smaller units were available.
- Senior housing is an emerging issue. Based on CSI analysis of the number of renter households with mobility or self-care limitations, (3,335 in 2007) a substantial portion of the demand for very-low income units comes from the elderly and disabled.

In addition to the Housing Needs Assessment, CSI updated Lakewood's Analysis of Impediments to Fair Housing Choice (AI) originally prepared in 1986 and last updated in 2003. The AI is a HUD required document for entitlement communities. Impediments to fair housing choice are defined as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice.
- Any actions, omissions, or decisions that have this effect.

Using similar research methods, CSI examined a variety of issues in order to identify impediments to fair housing choice. A copy of the Analysis of Impediments to Fair Housing Choice is included in the packets

provided to Council Members. The following is a brief summary of key findings:

- New housing construction and the acquisition of existing housing stock is providing housing choices; however, many low and very-low income households still have income limitations and need rental housing units with rents targeted at 40 percent or below the area median income.
- Lakewood's planning and zoning codes, permitting process, development review process, building codes, and property tax policies are not impediments to fair housing choice.
- NIMBY-ism and development costs and impact fees (as they contribute to housing cost) have been identified as impediments to fair housing choice.
- Fair housing complaints have decreased since 2003. However, almost all complaints since 2004 have been for discrimination against people with physical or mental disabilities, which continues to be an impediment to fair housing choice.

Please note: City Council is not requested or required to take action on the Housing Needs Assessment or the Analysis of Impediments to Fair Housing Choice. As stated earlier, the reports have been prepared as a requirement to receive federal funds. Adoption of the certification that the City will affirmatively further fair housing is included in the 2008 One Year Action Plan.

Attachments:

Housing and Community Development Plan (inclusive of 2008 One Year Action Plan)

Housing Needs Assessment (Document available at Lakewood City Clerk's office)

Analysis of Impediments to Fair Housing Choice (Document available at Lakewood City Clerk's office)

Summary

Staff is seeking Council endorsement of the 2008-2012 Housing and Community Development Plan, and requests Council direct Staff to prepare a resolution to be brought forward at the City Council's regular meeting on October 8, 2007, supporting the programs and recommended funding levels in the 2008 One Year Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs.

Submitted by:

Reviewed by:

Memorandum
September, 20 2007

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