COMMERCE CITY BALANCED HOUSING PLAN

&

COMMERCE CITY HOUSING AUTHORITY AFFORDABLE HOUSING IMPLEMENTATION PLAN






Commerce City Housing Authority

Commerce CITY Quality Community for a Lifetime

CIVITAS

January 7, 2019

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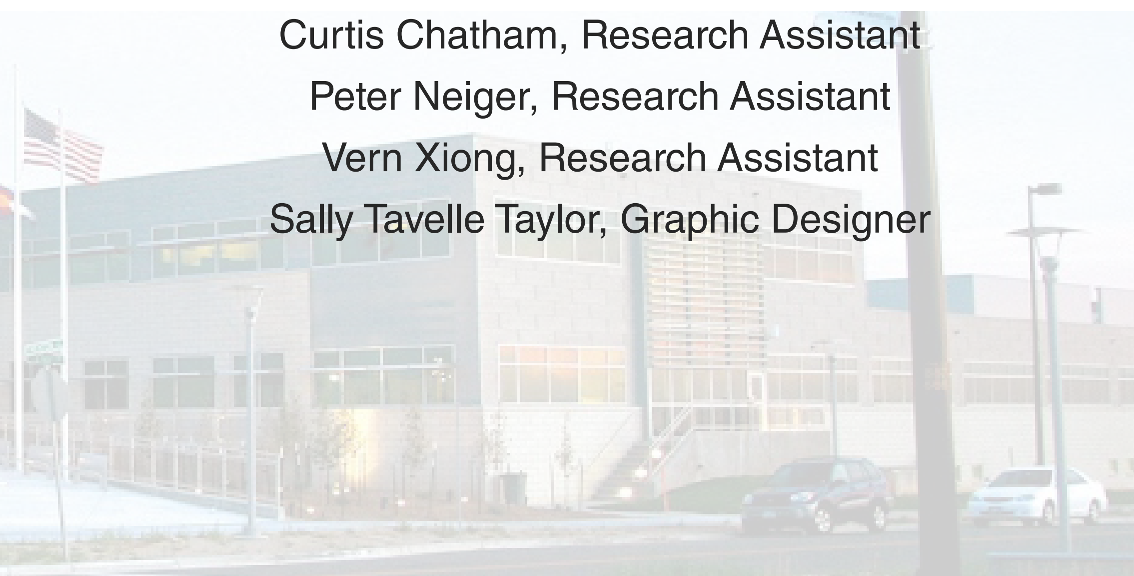


like about
community today?
Vision Board
What would you like to see improved/changed?
Center Center
El Jardin Restaurant
Mtn. Views from Civic Center
CC Rec. Center
Ext. @ Reunion Rec. Center
Habitat for Humanity Development
Welcome Center @ Reunion
Dick's Sporting
Poor maint. yard
Clutter @ Business in Derby
Belle Creek Eyesore
City Park? Poor Landscaping
Is this the type of Business we want in Derby?
Vacant Business
Poor Maintained yard
72nd vacancy - Derby
Poor maint.
What do you
the commun

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Executive summary

The City of Commerce City ("the city") conducted a Housing Needs Assessment (HNA) in 2017-18, involving input from the community, elected officials and city staff – with technical assistance from Civitas, LLC, a national community development consulting firm. The insights gleaned from this process have served as the basis for the development of the Commerce City Balanced Housing Plan and the Commerce City Housing Authority (CCHA) Affordable Housing Implementation Plan. Each of these plans offer policy and strategic recommendations to help balance the supply of housing in Commerce City, including proposed target locations and timelines for implementation. Both plans are contained in this report.

Balanced Housing Plan

The Balanced Housing Plan is comprehensive in focus, taking into account all housing needs. It offers strategies that complement comprehensive and strategic planning efforts already under way in Commerce City along with creative approaches that tap into its strengths and some of its unusual features. This plan calls for exploration and implementation of several established approaches, including changes in zoning and regulatory codes, fee and tax incentives, low-cost loan programs and revolving loan funds. It also offers some new and creative options, including examining advantages available through Commerce City's newly established opportunity zone and exploring small-home and micro communities built around common interests.

> *Commerce City has a need for more multi-family dwellings, senior housing, retirement communities that allow people to age in place, desirable rental properties, housing for people with disabilities and the homeless, along with affordable housing for moderate- and low-income households and executive housing for high-income households.*

Because the Balanced Housing Plan is comprehensive, it includes some examination of affordable housing funding options. The second section of the report focuses per se on affordable housing recommendations that specifically involve the Commerce City Housing Authority.

Commerce City Housing Authority Affordable Housing Implementation Plan

In particular, the Commerce City Housing Authority Affordable Housing Implementation Plan looks at funding, incentives and resource options that address the growing lack of affordable housing in the city. There is no single solution to the problem of affordable housing in Commerce City, rather the problems are multifaceted, existing in the context of a region, state and nation also facing issues of housing affordability. The implementation plan recommends CCHA and its partners, including the city and the Urban Renewal Authority, take on a more proactive role in the preservation of affordable housing and development of newly constructed affordable housing for rent and homeownership.

2018 Commerce City Housing Needs Assessment

The 2018 Commerce City Housing Needs Assessment includes the goals and strategies related to housing presented in Commerce City's 2010 Comprehensive Plan. Some of the strategies and goals have been undertaken, but many more have not been implemented or studied. For

example, the comprehensive plan set forth a goal of increasing the range of housing price options. It recommended that new neighborhoods "contain a range of housing priced at different points for mixed incomes, including high-end homes, to achieve overall diversity." New neighborhoods built since that plan largely have not.

Additionally, the HNA reveals both matches and mismatches in Commerce City's housing supply by age, size, affordability, accessibility and diversity. In short, Commerce City has a need for more multi-family dwellings, senior housing, retirement communities that allow people to age in place, desirable rental properties, housing for people with disabilities and the homeless, along with affordable housing for moderate- and low-income households and executive housing for high-income households.

Though changes are slow to take hold, there is evidence that some consumer housing preferences are changing across the country – the trend is toward smaller homes and higher-density development. Building patterns in Commerce City over the past decade have not reflected this trend – quite the opposite given that most all of the new residential construction has occurred in Commerce City's northern range (the area north of East 96th Avenue) and that the overwhelming pattern has been construction of single-family homes built in the traditional subdivision style. Indeed, Commerce City has a disproportionately higher number of single-family homes than any other community in the Denver Metro Area.

> *With a revision to the code, the city could provide pre-approved designs that are ADA compliant by regulating on matters of accessibility, safety, design and aesthetics and ensuring public safety. All of these are explored in more detail in this report.*

This pattern of development does not effectively address the change in consumer preferences that trade size for locational access to the transportation, cultural, civic and economic amenities traditionally associated with dense urban centers. Higher density housing is a way to both increase the housing stock in Commerce City and to contribute to its diversity.

A natural place for the city to incentivize development is at the Commerce City station of the North Metro Rail Line, known at the N-Line. The 18.5-mile electric commuter rail line will run from Denver Union Station through Commerce City, Thornton and Northglenn to Highway 7 in North Adams County. A city-led plan to attract high-density, mixed-use developments that offers a variety of housing and commercial choices near the N-Line station can be aided using economic incentives that are detailed in this report. This is just one of many opportunities available to the city at this critical juncture in its history.

Commerce City's easy access to the Denver International Airport and the N-Line; the redevelopment of the former Mile High Greyhound Park; and the renewal plan for Derby to become an urban center for Commerce City all put the historic city on the path of locational convenience to regional hotspots. Focusing on this area for new, renewed and high-density housing – both affordable and market-rate – could balance the suburban residential building boom that has occurred almost exclusively in the northern range and targeted higher income brackets.

Among the key findings detailed in the Housing Needs Assessment (see exhibit A) is the pressure on Commerce City as a result of extreme growth in population over the past decade and expectations that rapid population growth will continue.

Based on projections produced by the Denver Regional Conference of Governments, Commerce City is expected to see between 8,000 and 10,000 new residents every five years. That rate of growth would bring the population total to more than 85,000 by 2040. If these projections bear up, Commerce City will need more than 3,000 new units of housing every five years.

These projections are based on the extreme population growth Commerce City has experienced over the past decade that has spurred a building boom. This growth is occurring in a larger context of rapid population growth at state, regional and county levels. From 2000 to 2017, Colorado's population increased 30 percent. The number of people living in Adams County, one of the fastest growing counties in the state, swelled by 37 percent.

The dual drivers of Denver's growth and Commerce City's annexation account for its extreme population increase. Overall, Commerce City's population grew 155 percent, an impressive number by itself. But if we look at the growth between the traditional historic city in the southern section of old Commerce City compared to the new northern range, that is the area north of East 96th Avenue, we get a more extreme picture. The population in the historic city grew by 14 percent. By contrast, the increase in the number of people who moved to the north part of Commerce City was a staggering 1,362 percent.

The lack of affordable housing in Denver has pushed individuals and families to search for housing outside its city limits. Commerce City has become a magnet for middle-income families wanting traditional single-family suburban homes.

The dramatic difference in growth between the northern range and the historic city is also evident in the number of housing units constructed between 2000 and 2017. In the historic city, the number of housing units increased by 11 percent while the northern range grew by 1,274 percent.

A major problem now is the cost of housing in Commerce City has risen faster than income. Since 2007 when homes in Commerce City were affordable for middle-income families, the median sales price for the same home has more than doubled while average household income has only grown 29 percent. Nearly one-third of households in Commerce City, a figure that represents 5,000 plus households, now pay more than 30 percent of their income on housing costs, the standard measure of housing cost burden that points to a lack of affordability. Since housing cost burden is based on household income it applies across different price points, unit types and sizes, and affects high, middle- and low-income households.

The divide between the rising cost of housing and stagnating salaries has priced housing out of the reach of many, including those in the workforce who are vital to the functioning of the community, e.g., teachers, police officers, firefighters, health care and service industry workers.

Because middle-income workers make too much to qualify for housing subsidies but can earn too little to afford to live where they work, there is an affordability gap that has ripple effects

Percentage increase in population 2000-2017

Commerce City

Increase in percentage of elderly 2000-2017

Commerce City

Median age

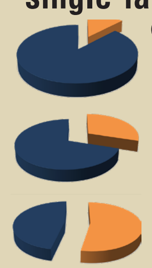
Commerce City
31.7 years

Adams County
33.7 years

Denver (city)
34.7 years

2017 Esri

Percentage of single-family homes



Commerce City
88%

Adams County
72%

Denver (city)
60%

2016 ACS

Percentage Hispanic

Commerce City
47%

Adams County
38%

Denver (city)
33%

2017 Esri

throughout the community. Middle-income workers may double up in homes or experience longer commute times from the outer fringes of the region leading to greater traffic congestion and a community disconnect that comes from people working and living in different locations. When families are in a chronic state of financial distress with little in the way of real choices in housing, community cohesion is negatively affected. If they are forced to move to find more favorable rents, they are deprived of a traditional wealth-building strategy of accumulating a growing investment in their home.

When people are able to live closer to their jobs, entire communities reap the benefits. Commute times and traffic congestion ease; neighborhoods become more diverse, providing opportunities for families to live and grow in one place over time; and the local economy is strengthened by helping employers attract and retain essential workers. The health of the community depends upon its ability to have and support a diverse workforce and to meet the needs of special populations, e.g., the elderly, those with disabilities and those experiencing homelessness.

Recognizing that these needs exist and to what degree is the first necessary step toward addressing them. The process of Commerce City's comprehensive Housing Needs Assessment was intended to stoke conversation and to spur creative problem solving by highlighting and gauging housing-related needs.

Options to increase the housing stock in Commerce City and to add to its diversity include changing the current zoning code to allow for accessory dwelling units on lots with existing primary residences and to permit the development of micro communities with small and/or tiny homes. With a revision to the code, the city could provide pre-approved designs that are ADA compliant by regulating on matters of accessibility, safety, design and aesthetics and ensuring public safety. All of these are explored in more detail in this report.

The historic Derby Downtown District is the area the city wants to bring back to life as the center of commercial and cultural activity of the historic city. It's an area that holds a special place amongst those residents who have called Commerce City home over the years. In its heyday in the 1950s and 60s, it was a bustling commercial and cultural area. The Derby Master Plan put forth by the Commerce City Urban Renewal Authority supports the vision of Derby's revitalization.

The area near and around Derby is home to most of Commerce City's mobile home communities, aging motels and industrial infrastructure. The Commerce City Balanced Housing Plan and the Commerce City Housing Authority Affordable Housing Implementation Plan offer suggestions and recommendations on ways to upgrade existing mobile home communities without adding to the rent burden of residents, repurposing motels for residential use, incentivizing improvements and encouraging adaptive reuse of unused or underused commercial and industrial buildings. Such improvements would serve as needed enhancements to the area and would upgrade and add to the city's affordable housing stock.

This area is further advantaged because of its proximity to the newly designated Opportunity Zone, a new Federal program that offers tax incentives to investors. Commerce City's Opportunity Zone is one of 126 economically distressed areas in the state to be designated. The Commerce City Opportunity Zone reaches north up to E. 88th Avenue (though it does not include the older communities of Derby, DuPont or Irondale). It is bounded to the west by I-25 and Washington Street; to the east by Vasquez Boulevard and Dahlia Street; and to the south around E. 52nd Avenue in the area of Sand Creek Landfill. The south and west areas of the Opportunity Zone are heavily industrial and not suitable for residential development. Surrounding areas are likely to benefit from being close to the Opportunity Zone.

The designation of Commerce City's Opportunity Zone, while not addressing housing directly, offers one more tool that could be used to encourage mixed-use and scattered site housing in areas where commercial development is occurring.

In addition to the advantages of the Opportunity Zone where the N-Line light rail station will be located, the neighborhoods of Adams City and Adams Heights stand to benefit as well. This heightens the area's attractiveness for economic development as does the massive mixed-use commercial, residential (including affordable units) and retail development in the works for the 62-acres of vacant land that formerly housed the Mile High Greyhound race track, all assets that factor into addressing Commerce City's housing issues.

Commerce City has a need for more multi-family dwellings, senior housing, retirement communities that allow people to age in place, desirable rental properties, housing for people with disabilities and the homeless, along with affordable housing for moderate- and low-income households and executive housing for high-income households.

As housing prices continue to rise, Commerce City is witnessing a growth in the number of individuals and families experiencing homelessness, including those who are employed but whose earnings are insufficient to cover the cost of housing.

Affordable housing options in the city for older adults and disabled persons exist, but they are limited and do not meet the community's needs/demands. Nearly all are located in the historic city.

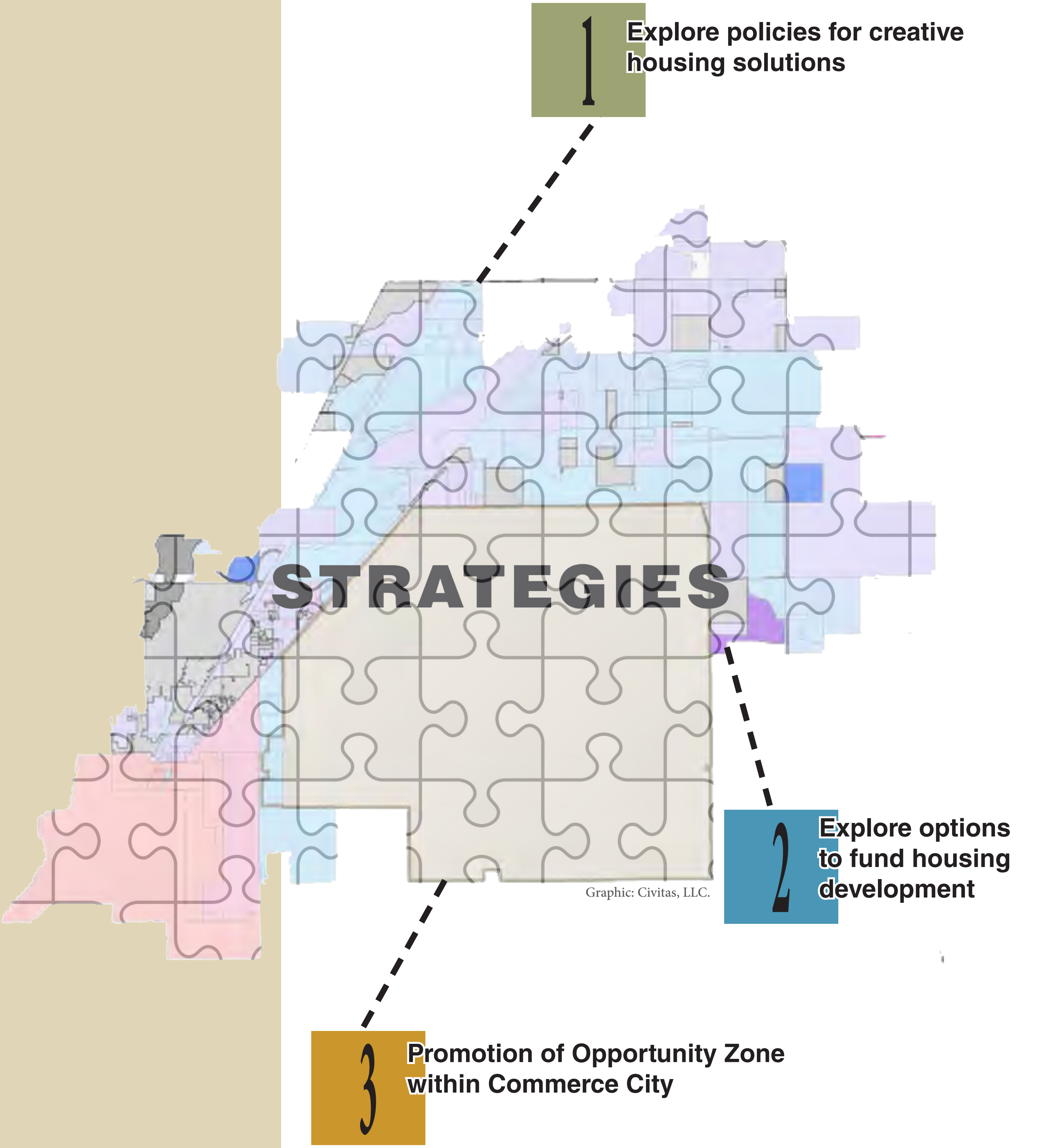
The Denver Regional Council of Governments population projections show that Commerce City will need about 700 housing units annually to keep up with demand. If the population in Commerce City continues to exceed the amount of affordable housing available, housing prices will continue to increase. If income continues to increase at present rates, more residents will be housing cost-burdened.

Funding mechanisms already in use by Commerce City

- Low-Income Housing Tax Credits (LIHTCs) – Federal tax breaks to developers building low-income housing
- Private Activity Bonds (PABs) – Bonds backed by the city that give investors the benefit of below-market interest rates and provide gap financing for affordable housing
- Community Development Block Grant funding

Adams County also is seeking solutions to accommodate the housing and social service needs of its growing number of lower income and senior residents; methods for addressing distressed housing stock; and ways to catalyze ample developable land in the exterior portions of the county. It would be advantageous for the City of Commerce City to join the Adams County HOME Investment Partnership Program, which would make the city an eligible jurisdiction for HOME funding.

In brief, this report explores a range of strategies and policy solutions. While not all of these may prove suitable for Commerce City – they merit consideration. The recommended strategies and policies should be viewed as supplementing, not supplanting, existing development patterns in the city.



INFOGRAPHIC 1: Strategies

Summary overview

The Commerce City Balanced Housing Plan, one of two plans included in this report, is comprehensive in focus, taking into account all of Commerce City's housing needs. It offers strategies that complement comprehensive and strategic planning efforts already under way, along with creative approaches that tap into the community's strengths and some of its unusual features. This plan calls for exploration and implementation of several established approaches, including changes in zoning and regulatory codes, fee and tax incentives, low-cost loan programs and revolving loan funds. It also offers some new and creative options, including examining advantages available through city's newly established Opportunity Zone and exploring small-home and micro communities built around common interests.

1

STRATEGY #1

Explore policies for creative housing solutions

RECOMMENDATION 1 Explore ways to increase housing stock diversification

- Update policies and zoning codes that allow for changes that encourage density and diversity in housing units
  - Undertake low-cost, high-benefit policies that diversify the city's housing stock by permitting and encouraging retirement, senior, executive, multifamily, transit-based and rental housing, as well as housing for low-income families and individuals, those with disabilities and those experiencing homelessness.
  - Explore changing the city's zoning code to permit accessory dwelling units (ADUs), tiny homes and small-home communities.

A) Housing for low-income, special needs households and seniors

Recommend the city actively pursue policies and initiatives that encourage development of more housing for low-income households, seniors and those with special needs.

B) Transit-oriented housing and development

Recommend the city undertake a study to determine potential optimal locations for transit-oriented, mixed-use development that promotes housing diversity.

C) Accessory dwelling units

Recommend the city consider changing its zoning code to permit accessory dwelling units (ADUs), focusing first on the historic city, then eventually applying it citywide. Also recommend that ADUs be an eligible use of revolving loan funds

D) Small-home communities

Recommend the city consider modifying its zoning code to permit tiny homes and small home communities, focusing first on Commerce City's Opportunity Zone, then expanding to the core city and eventually applying it citywide.

Commerce City has no senior-restricted housing developments specifically geared to serve active independent adults 55 and older, other than Conter Estates Senior Apartment Homes.

Facilities for elderly and persons with disabilities in Commerce City

Commerce City has no senior-restricted housing developments specifically geared to serve active independent adults 55 and older, other than Conter Estates Senior Apartment Homes. Such communities typically offer a range of amenities, e.g., lawn maintenance and lock and leave security, fitness classes, interest clubs and activity centers. As a point of reference, Denver currently has 13 retirement communities with housing prices ranging from $361,990 to $857,909.

Specific funding mechanisms to encourage the development of senior housing and housing for those with disabilities are detailed in the BHP and also in the CCHA Affordable Housing Implementation Plan. Below is a list of existing housing options in Commerce City for elderly and disabled persons.

- Conter Estates Senior Apartment Homes, 6600 E. 60th Place, is a 114-unit affordably priced gated community for people 55 and older and for those with disabilities. It is located in the Rose Hill community in the central neighborhood of Commerce. Gas, water, sewer and trash are included in the rent. Conter Estates is close to shopping, banks, restaurants, parks, RTD routes, medical services, the library and the Commerce City Recreation Center and Senior Center. Amenities include elevator, open parking, controlled access, mountain and downtown views, fitness and activity centers and a community room.
- Nursing-home type facilities are offered at Poplar Grove Care Center at 7150 Poplar Street. It serves those who need 24-hour care but do not need hospital care.
- Kearney Plaza Apartments Offers 51 low-income, affordable apartments with provisions for independent and assisted living. It is located at 6140 E 63rd Place.
- Prairie Rose Plaza, 6285 Kearney St., owned by the Archdiocese, has 19 one-bedroom units available to those with low income. It offers some supportive housing for those with disabilities. At the time of this writing, Prairie Rose Plaza had a long waiting list so there was no immediate or emergency housing available.
- Holly Park East, 5520 E. 60th Ave., offers low-income and some senior independent living and assisted living services. It has 96 units. Nearby Holly Park West, 5460 E. 60th Ave., offers some low-income independent living options for seniors. Acquired by Mercy Housing in 1998, both Holly Park locations are also open to families. Both apartment buildings are undergoing major renovations.
- With 105 beds, Woodridge Terrace Nursing and Rehabilitation Center, 5230 E 66th Way, is a traditional nursing home facility, offering an alternative residence for seniors and those with disabilities who can't live independently and providing skilled nursing rehabilitation and specialty care services.
- Madonna Plaza, 6275 Kearney St., is a 50 -unit senior facility that offers in-home care and personal assistance to those in need.

A) Housing for low-income, special needs households and seniors

Recommend the city actively pursue policies and initiatives that encourage development of more housing for low-income households, seniors and those with special needs.

The HNA reveals that affordable housing options and housing for older adults and disabled persons exist in Commerce City, but they are limited and do not meet the demand. Most are located in the core city in the south part of Commerce City.

According to Affordable Housing Online, a national database of federal housing assistance and affordable housing data for each state, county and city in America, there are 10 low income housing apartment complexes with 783 affordable housing units for rent in Commerce City. Of those, approximately 262 are rent-assisted apartments based on household income and 243 are Section 8 subsidized apartments. There are another 618 apartments that do not have rental assistance but are considered affordable.

Not included in these numbers is the newly constructed North Range Crossing, located on E. 104th Ave., in the northern range. The 216-unit affordable housing project was developed in partnership with the Commerce City Housing Authority using Low Income Housing Tax Credit funding. Household income limits apply. As of this writing, the rates to qualify for affordable housing were: income below $37,800 for a single occupant; below $48,600 for three occupants. (The average median income in Adams County in 2018 was $24,667, according to Sperling's BestPlaces, a data aggregator.) This development is open to all ages as long as household income meets the requirements.

Encouraging senior and special needs housing is also in line with the 2010 Comprehensive Plan, which states the city should: "Promote senior housing and housing for individuals with special needs, including physical or mental disabilities. Senior housing types should range from affordable to higher-end retirement housing. Higher densities may be appropriate targeted locations to accommodate these needs. The city should modify regulations to allow senior housing and facilitate new housing practices that specifically accommodate seniors and people with disabilities. This type of housing should be highly accessible to transit."

B) Transit-oriented housing and development

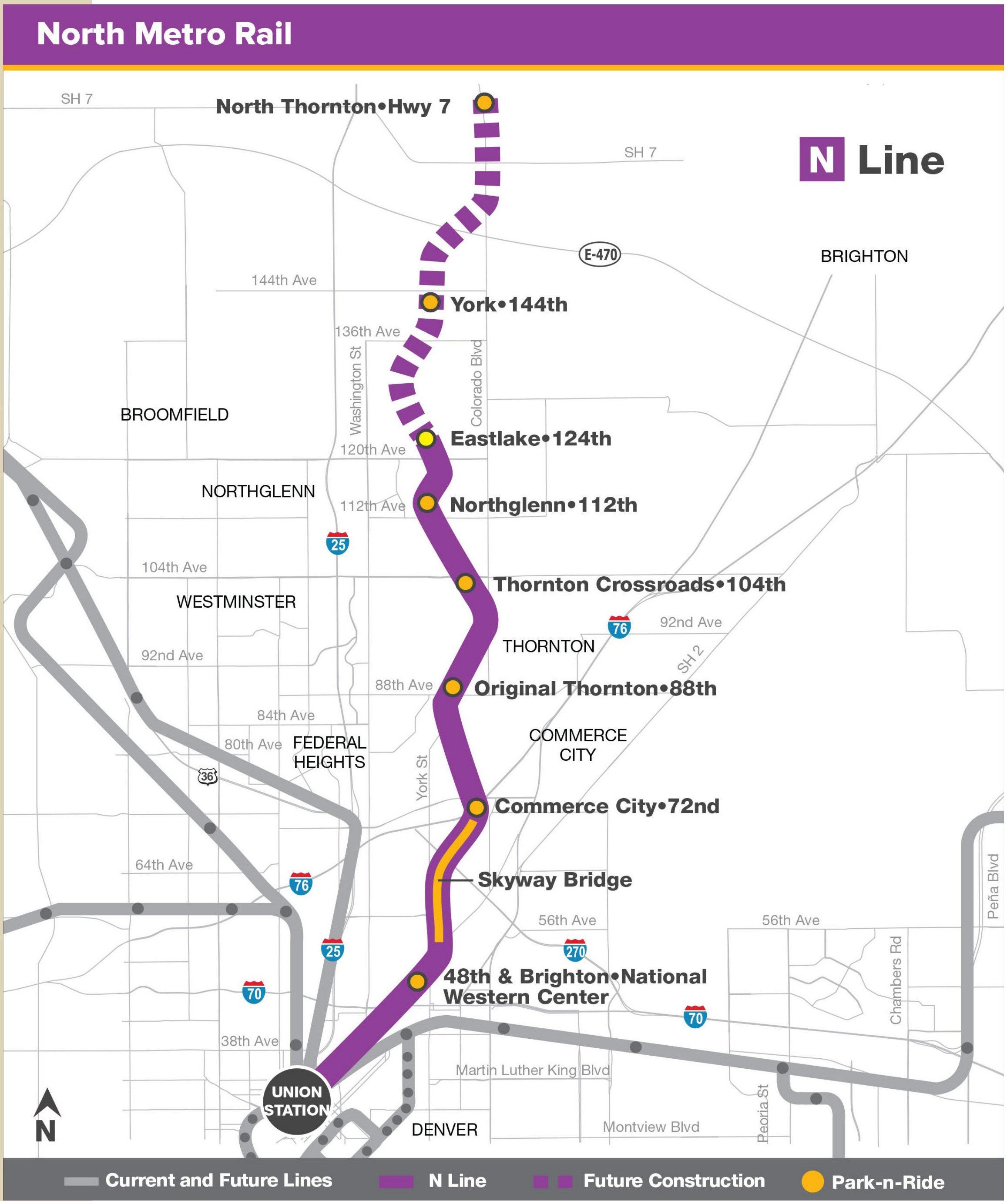
Recommend the city undertake a study to determine potential optimal locations for transit-oriented, mixed-use development that promotes housing diversity.

As with senior and special-needs housing, transit-oriented housing and development also aligns with Commerce City's 2010 Comprehensive Plan, the Derby Business District Urban Renewal Plan and the findings of the HNA. The HNA discusses the national trend showing a decrease in the percentage of 16- to 44-year-olds with driver's licenses in the U.S. and a corresponding increase in the preference for walkable urban living: "Though there are many reasons for the drop in those who drive as opposed to using alternative transit, a major factor is a preference for denser urban locales with access to transit."

This is echoed in the comprehensive plan: "New housing should offer residents a variety of transportation options that are energy-efficient and affordable, including transit. It should also be located near jobs and services. Neighborhoods should be walkable to support a healthier lifestyle."

As cities have faced increasing traffic congestion and patterns of sprawl, the benefits of transit-oriented development have been demonstrated in many urban communities. Larger cities have built subways and light rail systems, expanding these to surrounding urban rims. Stations built around these have become nodes where bus lines converge (operating much as the airline's "hub and spoke" system), allowing commuters easy access to alternative forms of transportation. In many cases, the nodes themselves have been developed in ways that encourage residents to live close by in surrounding areas, combining mixed-use residential and commercial spaces that allow easy walkability to access points to get to work, shop and play.

By making these stations nodes rather than giant parking lots, they encourage access via bus rather than automobile, increase a sense of safety and open up options for mixed-use places. Commuters arriving from or going to work have places to drop off laundry, exercise, buy meals



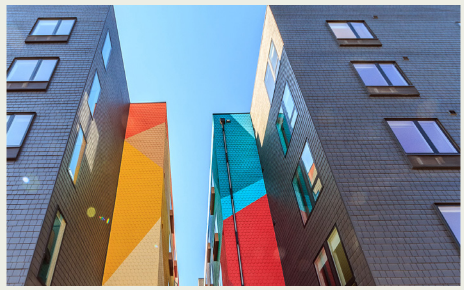
CASE STUDY — Uptown Denver

Transit-oriented micro-apartments make rents affordable, living small but tall

With rooms no bigger than an average hotel room, The Economist added 97 apartment units to Denver's housing stock, located on transit-rich 16th Avenue along the popular East 16th Avenue bike route and one block from Colfax, a busy bus corridor.

In addition to the residences, the two-building development includes a 2,400-square-foot ground-floor commercial retail/restaurant space along 16th Avenue and a rooftop deck for residents with views of downtown and the mountains.

Designed by OZ Architecture, the units have 12-foot high ceilings and large windows, making the apartments feel larger and allowing for loft-type sleeping areas. One-bedroom units range from 300 to just under 600 square feet with rents starting at around $1,000 per month.



to take home and places to socialize. Even cities without clearly delineated transit-oriented facilities such as shelters or stations have adopted express bus routes that have limited stops while traveling from distant suburbs to places of work. These stops, often including shelters, are coveted by retailers who may offer free day-time parking, knowing they are attracting customers to their locations either before or after work. Amenities on express buses frequently include more comfortable seating, wi-fi and conference-style work surfaces. Access to transportation networks is also important to seniors and those with special needs, for whom car ownership and operation can be less of an option.

Transit-oriented development does not always work. Location matters. But when carefully planned, it can be remarkably successful and provide much-needed stimuli for an area where the balance of living and meeting spaces and commercial development could serve diverse populations. It can also cut down on the use of automobiles, which reduces greenhouse gas emissions that contribute to global warming. Commerce City would be well-served to conduct a survey of existing utilization of mass transit and to identify potential transportation nodes. The N-Line station near 70th and 77th avenues could be an important catalyst in this endeavor. For example, high-density development near a major bus stop that connects to the N-Line would lend itself to mixed-use commercial and housing development.

C) Accessory dwelling units

Recommend the city consider changing its zoning code to permit accessory dwelling units (ADUs), focusing first on the historic city, then eventually applying it citywide. Also recommend that ADUs be an eligible use of revolving loan funds

Accessory dwelling units were identified in Commerce City's 2010 Comprehensive Plan as a strategy to explore to add to the range of housing options and availability. Since then, ADUs have become increasingly popular options for augmenting the housing stock and diversity in communities throughout the country. They remain prohibited in Commerce City.

Recommended strategy: Accessory dwelling units

Timeline

2019

- Undertake as part of the 2019/21 Comprehensive Plan update
- Process to change code would include public hearings and a community awareness effort. 2021

2021

Program development and implementation (if applicable). 2022+

2022

- Create policies for pre-existing ADUs
- Develop pre-approved designs
- Develop incentives

Target areas

→ Opportunity Zone Census Tract

→ Northern range – smaller lots lend themselves to attached ADUs

→ Historic city – prevalence of large and long narrow lots makes stand-alone ADUs feasible

CASE STUDY

Durango, Colorado

APA commends Durango's accessory dwelling unit plan

The American Planning Association selected the city of Durango, Colo., as the 2015 APA Colorado Honor Award Recipient for General Planning Project for its preexisting ADU voluntary registration initiative. When the city changed its codes to allow for ADUs, it mounted an amnesty campaign that effectively incentivized homeowners to register their ADUs on a voluntary basis during a limited time period.

CASE STUDY

Santa Cruz, Calif.

Accessory dwelling unit homeowner assistance

The city of Santa Cruz, Calif., developed a program to aid homeowners wanting to build accessory units by providing design concepts developed by area architects that complemented existing architecture in the neighborhood. By selecting from the approved designs, homeowners had access to good design and benefited from an expedited permitting process.

ADUs can take the form of basement apartments, in-law suites, backyard cottages, garage apartments and converted outbuildings on parcels generally zoned for single-family homes. ADUs have the benefit of tying into existing infrastructure, including sewer, water and electric lines.

ADUs that are constructed in a way that respect the existing character and pace of life bring new housing options to established neighborhoods. The National Trust for Historic Preservation has called this "density without demolition." For Curtis Park, Denver (see case study on this page), a conservation overlay in the zoning code allows ADUs the flexibility to succeed even on very narrow lots, which are common in Commerce City's historic city.

By changing the land development code to allow for ADUs, Commerce City can ensure conformance with health, safety and building standards, and at the same time promote an increase in the number and availability of housing options. This also gives homeowners ways to provide housing for aging family members and to introduce a viable income stream through short- and long-term rental. ADUs can be encouraged through the provision of property tax abatements or breaks, provided they can be shown to meet standards for affordable housing.

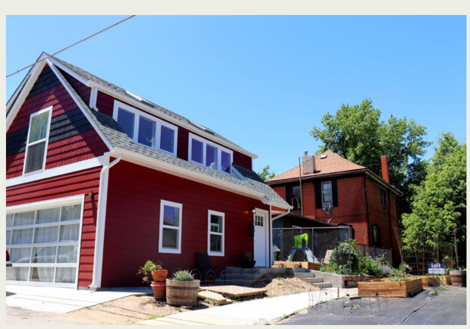
CASE STUDIES

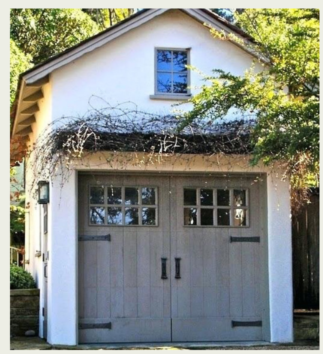
Denver, Colorado

Curtis Park reintroduces ADUs

In 2010, Denver modified the zoning code in one of its oldest neighborhoods, Curtis Park, to allow for construction of new ADUs where they once had been permitted.

All indications are that the program has been successful, allowing some homeowners to remain in homes that were growing in value faster than household income. The zoning change allowed for more affordable housing in the smaller ADUs. Homeowners who wish to downsize may live in their ADU and rent out their larger homes, possibly eliminating much, if not all of, their housing costs.





West Denver ADU program helps homeowners

More recently, Denver has allowed many modest neighborhoods in West Denver to allow ADUs to be constructed. This program, known as The West Denver Single Family Plus (WDSF+) initiative, is a housing strategy led by the West Denver Renaissance Collaborative and West Denver community leaders. It includes help for existing homeowners who are faced with involuntary displacement (because of rising property taxes) to build ADUs, the rent from which will assist in meeting housing costs. The WDSF+ program is new, with the first round of proposals put forth in the late summer of 2018.

Taking up the issue of ADUs as part of the 2019/21 Comprehensive Plan update will give stakeholders a structured opportunity to discuss the risks and benefits of the zoning change. Care needs to be taken in the provisions relating to ADUs and some issues need to be considered:

- Over-regulation, e.g., requiring that ADU occupants be related to the homeowners, high permit fees or burdensome off-street parking regulations can discourage their construction.
- Amnesty campaigns have proven effective in getting homeowners to register non-compliant ADUs
- Tax breaks or property tax abatements can be a way to encourage homeowners to construct ADUs and avoid having their property taxed at a rate that would discourage their construction.

Homeowners could benefit from pre-existing plans for ADUs that factor in and are compatible with stylistic differences in neighborhoods and lot sizes. When done well, ADUs can enhance property values, possibly including those of surrounding homes. To support homeowners wanting to convert or construct an ADU, access to a revolving loan fund could encourage participation as would tax abatements on the increase in property valuation, again, if it meets certain affordability standards. To operationalize this initiative, discussion of ADUs should be an active part of the city's comprehensive plan update and then advanced through the public hearing process as required to alter codes.

D) Small-home communities

Recommend the city consider modifying its zoning code to permit tiny homes and small home communities, focusing first on Commerce City's Opportunity Zone, then expanding to the core city and eventually applying it citywide.

Tiny homes, pocket neighborhoods, cottage-housing developments, small homes and micro communities are all variations based on a similar theme, i.e. a cluster of small homes gathered around a shared community space often in tucked away neighborhoods in urban areas and built as in-fill projects or in less-traveled areas on the urban fringe. Small home communities are part of a social movement that embraces simple living with few possessions. These homes are typically described as approximately 500 square feet, and they differ from ADUs in that they are on stand-alone lots or contained in multi-tenant and mixed-use buildings.

Small-home communities lend themselves to appeal to people with common interests such as pets, arts and crafts or recreation. They sometimes offer shared gardens, courtyards, walkways, yards, kitchens and rooftop areas for congregating and do so in a way that is at once aesthetically pleasing, safe, private and, importantly, does it all affordably. Such communities have the added benefit of a significantly reduced carbon footprint because they require less energy to heat and cool.

Infill projects where small parcels of land exist in already developed areas can prove attractive for studio-size or micro-apartments. The standard apartment size is 600- to 1,500-square-feet, whereas micro-apartments range from just 140-350 square feet. To build a micro-apartment building would require about 8,000 to 15,000 square feet of land. Commerce City's diverse geography lends itself to both urban and rural small-home neighborhoods and micro-apartments.

Recommended strategies: Small homes, micro communities

Timeline

2019

» Undertake as part of the 2019/21 Comprehensive Plan update with implementation occurring after 2021.

2022

Implementation (if applicable) 2022+

Target areas

→ Opportunity Zone Census Tract

→ Northern range – existing undeveloped land for small-home communities

→ Historic city – Transit-oriented development near stations on the N-Line lends itself to high-density, mixed commercial and residential uses, which could include small home communities and infill micro-apartment projects

→ Within walking distance of the N-Line, clustered around 72nd Avenue station up to the northern boundary

→ Brighton Boulevard, connecting to Denver's new multimodal transportation systems

CASE STUDY — Portland, Oregon

Micro Community Concepts develops model where renters become owners

Micro Community Concepts, a nonprofit in Portland Oregon, has undertaken a self-sustaining program that constructs attractive small housing units through grass roots fund raising and a volunteer work force that makes it possible to offer affordable monthly rental rates.

These micro communities are financed entirely through donations with a goal to have each micro-community be debt free by end of construction. All of the communities are created such that they will eventually earn enough through collected rents to pay for building another micro-community. Once this happens the residents themselves become homeowners and part of a homeowner's association managed by a community land trust. The land trust ensures the communities remain affordable.

This "self- replication model" allows renters to become homeowners and as they pay for their homes, creating funding for new micro communities to be built.

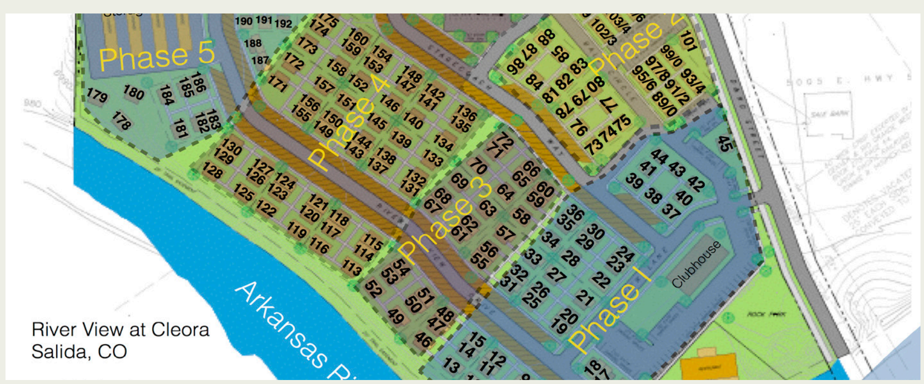
Micro Community Concepts intends to make its methods an open-source solution, available to anyone. The organization will also assist others in planning, developing and managing their own micro communities.

CASE STUDIES — Salida and Walsenburg, Colorado

Tiny homes offer great views and easy access to town center

The largest tiny home developments are in the heart of the Rockies – Salida, Colorado, with 200 rental homes ranging in size from 260 to 760 square feet, and Walsenburg, which is 90 miles from Colorado Springs. In 2014, Walsenburg would be the second city in the country to adopt a tiny home friendly zoning ordinance, allowing tiny homes to be placed in R1 and R2 zoned lots.

The 4.6 acre site, featuring homes ranging from 238 square feet to more than 400, is located behind the local public library and within walking distance of downtown.



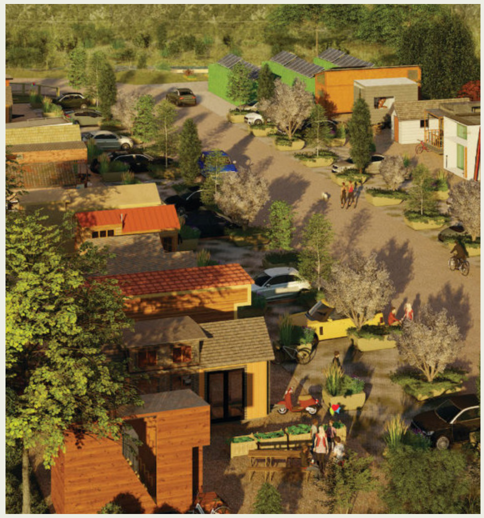
CASE STUDY

Durango, Colorado

Innovative long-term tiny-home community on wheels

Escalante Village in Durango, Colorado, is one of the first long-term tiny-home communities in the nation. Development of the 2.6-acre community is expected to be completed in April 2019, offering affordable housing options.

The median cost for a home in Durango is more than $430,000. To lease land at Escalante Village to park a tiny home costs $500 per month. For renters, a tiny home is an additional $500-$750 per month. The village is partitioned into 22 lots 20- by 40-foot (an average tiny home is 8- by 26-feet). Each lot allows space for a patio, storage and two vehicles, or a personal garden. The surrounding



community space that will feature a garden and recreational amenities.

Tiny homes and micro communities are not suited for all lifestyles. But they are growing in popularity both in the U.S. and overseas and can fill a critical gap in meeting housing needs for both special populations and those who are seeking a simplified and affordable lifestyle. Both are consistent with Commerce City's 2010 Comprehensive Plan.

Many cities have successful mixed-use residential and commercial development clustered around mass transit terminals. The RTD North Metro Rail station will be located at 72nd Avenue and could support new neighborhoods, small-home communities and micro-apartments. New neighborhoods within walking distance of the N-Line could be clustered around the 72nd Avenue station up to the northern boundary and could enhance the existing neighborhoods of Adams City and Adams Heights.

Colorado is ahead of the curve when it comes to tiny-home communities. A number of cities have made changes to their zoning codes to permit such structures, including Denver, Durango, Walsenburg, Salida and others. In 2017, a three-day, tiny-home festival was held at the Wild Animal Sanctuary in Keenesburg, Colorado (40 minutes northeast of Denver).

Colorado is also home to one of the largest tiny-home manufacturers. Sprout Tiny Homes, a leading designer and volume manufacturer of tiny homes and affordable live-work communities, is located in La Junta, Colorado. Sprout homes are built with structural insulated panels that are highly energy efficient and make use of sustainable building materials. Its 14,000-square-foot production facility is registered with the Colorado Department of Local Affairs – Division of Housing.

CASE STUDY

Boise, Idaho

Cottage communities feature affordable two bedroom homes

While the small-home community concept is relatively new, there are cities across the country that are revisiting zoning codes to permit their development. In Boise, Idaho, for example, the city has undertaken three cottage communities, targeting low- and middle-income families. The houses are mostly two-bedroom homes between 616-1,900 sq. ft. with a price range of $180,000-$210,000.

One of the cottage communities, known as 36 Oak, has 15 homes two blocks from Boise River. The community features storefront-style small homes that include retail/work/garage space below and living space above with a private entrance. These are ideas for craftspersons and artists who do not wish to grow, but maintain a small-scale business.

Built by the social service agency NeighborWorks Boise, the agency had plans to complete the first 10 homes on the block in October of 2017, but demand outpaced availability with half of the cottages sold by April of that year.

STRATEGY #1

1 Explore policies for creative housing solutions

RECOMMENDATION 2 Undertake initiatives to improve existing mobile home communities and encourage the conversion of motels into small residential developments

- Explore options such as fee and tax incentives, grants, low-cost loan programs to improve existing mobile home communities, and other incentives to encourage the conversion of motels into small residential developments

A) Mobile home parks

Recommend the city actively partner with the Commerce City Housing Authority to work with mobile park owners to upgrade park conditions and to help residents form resident-owned communities and/or to set up a community land trust to purchase a park and lease it long-term to individual home owners.

B) Motels

Recommend the city consider incentives and provide guidance to private owners and developers to repurpose older and abandoned motels to affordable housing. Also recommend the city support using CDBG funds/community land trust funds for CCHA to play an active role in this arena.

CASE STUDIES

New Hampshire, California, Florida, Massachusetts, Vermont, Rhode Island

Resident-owned mobile home communities

Resident purchase opportunity policies are a proven strategy that has enabled thousands of residents to purchase their communities in states across the nation.

For example, in the 29 years since New Hampshire adopted its resident purchase opportunity law, residents there have purchased more than 100 communities containing more than 5,000 homes. Residents have obtained bank financing, and not one has filed for bankruptcy or gone into foreclosure. At present, more than 20 percent of the communities in New Hampshire are resident-owned cooperatives, ranging in size from six to 392 units.

California and Florida both have hundreds of resident-owned communities. Vermont mobile home owners have converted more than 50 of its 246 communities to either resident or nonprofit ownership. Massachusetts and Rhode Island each have between 10 and 20 resident-owned communities, a notable percentage in these small states.

A) Mobile home parks

Recommend the city actively partner with the Commerce City Housing Authority to work with mobile park owners to upgrade park conditions and to help residents form resident-owned communities and/or to set up a community land trust to purchase a park and lease it long-term to individual home owners.

Since their heyday in the 1950s, mobile home parks in the United States, though on the decline, still are the most common form of low-income housing. An estimated 17.5 million Americans live in manufactured housing -- about 9 million households. By contrast, only 1.1 million households in the United States live in public housing, and only about 4.5 million households receive any form of government housing subsidy at all. In other words, the manufactured housing sector is three times as large as all federal housing assistance programs combined. It is the largest source of unsubsidized affordable housing in the U.S. and that certainly rings true for Commerce City.

The 2010 Commerce City Comprehensive Plan recommended the city continue to support existing affordable housing options, partnerships, and programs to address the continued maintenance of the city's affordable stock, including existing maintained mobile home parks in the historic city; multi-family housing; and affordable, small, single-family homes.

Mobile home parks in Commerce City are located in the older part of the city within range of the Opportunity Zone and Derby. Many of the mobile home parks in Commerce City evidence degraded infrastructure and unkempt appearance.

Commerce City's Victory Village, located 6261 Monaco St. in the historic city, is an enduring example of a small-home community from the post-World War II era of Quonset huts. The Quonset huts are duplexed front to back. The community is known to be tight-knit with little turnover.

A 2016 study conducted by the Manufactured Housing Institute estimated that the cost per square foot of a manufactured home was less than half that of a conventional frame house. This is in part because they are built inside large warehouses using economical materials, where workers have ready access tools and most framing can be done without having to resort to climbing or other practices that increase time and construction effort. Newer units are now built to similar standards as those that are stick-built on-site. Since 1976, manufactured homes have been built to codes very similar to standard local building codes. Still, there remain many substandard mobile homes.

Though a valuable source of low-income affordable housing, ownership arrangements can

Recommended strategies: Improve mobile home parks

Timeline

2019

» Undertake as part of the 2019/21 Comprehensive Plan update

2022

» Implementation (if applicable) 2022+

Target areas

→ Historic city

Resources to improve mobile home communities

The National Consumer Law Center's "Innovations in Manufactured Housing" and the comprehensive, national survey focusing on infrastructure maintenance in manufactured housing communities conducted by the Grounded Solutions Network are both excellent sources of information for guidance on ways to improve mobile home communities and options. Each examines:

- Promoting resident ownership
- Supporting nonprofit ownership
- Implementing park licensing/registration and inspection programs
- Helping mobile home park owners procure financing or more easily undertake repairs
- Providing more support to tenants to either help them purchase parks or hold park owners responsible for park condition without fear of retaliation, or, when appropriate, locate affordable alternative housing if relocation is the only option
- Working with mobile home park owners to remedy needed repairs, rather than enforcing firm mandates or timeframes for completion. Coordinating with owners to complete repairs can avoid having the park shut down and tenants evicted.
- Combining mandates, incentives, monitoring and enforcement provisions. As with most housing programs, one tool or option can rarely address the complexities of the program and different parks may have different solutions.
- Coordinating manufactured housing policy goals among all entities and departments involved in implementing and enforcing the program is essential. This avoids, for example, code enforcement shutting down mobile home communities and evicting tenants when the goal of the program is to ensure residents continue to be housed because they lack other housing options. This coordinating role could be performed by the CCHA. (For more on this, please see Section 2 of this report, "Commerce City Housing Authority Affordable Housing Implementation Plan.")

make for a tenuous existence for those who live in mobile home parks. Residents typically own their home, but not the land beneath it. They pay rent on the land in addition to any mortgage on their dwelling. Park owners have leeway in raising rents and fees, and residents may have limited recourse to challenge such increases. Leaving a park requires access to appropriately zoned land and the resources to undertake the move, a process that can be quite costly.

Grounded Solutions Network, a private research firm, conducted an extensive study of manufactured-housing communities in the United States released in October 2016 and offered practical approaches to resident empowerment as part of a solution for improving them:

Cities and counties across the country are developing policies and practices for preserving their manufactured housing communities and promoting sound infrastructure maintenance. As most communities are privately owned, these policies and practices must balance the interests of the private land owner, the park residents and the community's interest more broadly. From promoting transitions to resident or nonprofit ownership, to coordinating inspections across city departments to licensing parks, local decision makers are using a variety of strategies – both sticks and carrots – to address infrastructure needs.

Redevelopment of mobile home parks can result in displacement of residents. One solution is to work with residents to purchase their parks and operate them as a cooperative, similar to a condo-owner association. Resident-Owned Communities (ROC) USA network has supported owners to purchase more than 200 mobile home parks in 14 states.

Another option to control and improve the land in mobile homes parks is through purchase by a Community Land Trust, a nonprofit which owns the land and then leases it long-term to individual home owners.

Cooperative ownership of parks can only occur with a willing seller. Some recommend limiting seller options by zoning mobile home parks exclusively for that use, thus limiting any potential redevelopment. Such limited zoning options, however, may be interpreted as a taking, particularly where redevelopment would be in the form of more lucrative commercial space.

A number of states give existing homeowners the right of first refusal to purchase a mobile home park to allow them some time to form a cooperative and plan for acquisition when they are threatened with eviction. Mobile home park residents can increase their collective power in financial dealings (including upgrades by existing owners) through the formation of a resident-owner association. Cost of formation may be borne by a nonprofit or from services donated by real estate professionals.

B) Repurpose motels

Recommend the city consider incentives and provide guidance to private owners and developers to repurpose older and abandoned motels to affordable housing. Also recommend the city support using CDBG funds/community land trust funds for CCHA to play an active role in this arena.

Repurposing older operational hotels is an established, not experimental, strategy for creating affordable housing and housing for those experiencing homelessness or in need of affordable housing.

The general compatibility of motel and apartment designs and the availability of these aging structures make them very good candidates for redevelopment into affordable housing. The layout of a motel room allows for them to be repurposed into a studio apartments and, when, two units are joined together, as one, two-bedroom apartments. Many cities have cooperated with developers and nonprofits to convert aging motels into affordable and homeless housing.

The traditional motel is no longer attractive for travelers who prefer more full-service facilities that frequently include amenities like physical recreation facilities and spacious areas around the front desk for lounging. The best evidence of the decline of traditional motels is noted in the decline in the number of operating facilities, from a peak of 61,000 in 1964 to 16,000 in 2012.

Recommended strategy: Repurpose motels

Timeline

2019

» Undertake as part of the 2019/21 Comprehensive Plan update

2024

» Implementation occurring after 2021 (if applicable)

Target areas

→ Opportunity Zone Census Tract

→ Historic city

Operational motels are better candidates for repurposing into affordable housing than those that need significant repair, but such structures should not be ruled out. With high staff and overhead costs, motels operating as traditional motels may no longer be attractive investments.

Repurposing motels – some considerations:

- Rezoning may be necessary
- In some cases, extensive rehab may be necessary, including replacement of windows, installation of kitchenettes and upgrading safety systems
- Financing

CASE STUDY — Sarasota, Florida

Privately financed motel conversion increases affordable housing stock, becomes lucrative for investor

Harry Vengroff, a private investor, acquired the old Sarasota Airport Motel for $2.5 million, spent another $500,000 on improvements to provide workforce and retirement housing. The 100-room facility is regularly rented to capacity, with residents paying an average of $575 monthly rent compared to the area's $1,300 + average rent.

The project only accepts employed workers and retirees. A 2017 article in the Orlando Sentinel quotes Edward Pinto, former executive vice president for Fannie Mae: "The Vengroff model accomplishes three things: It quickly re-purposes older buildings like the Kissimmee hotel into housing for workers, provides units at a price point that is economical for hourly service workers and does so without using housing subsidies. As an added bonus, these hotels are usually more conveniently located to the tenants' jobs." Vengraff is landlord to more than 1,500 renters, offering units at well-below market rate.

The Knights Inn in Bradenton, Fla., was converted to affordable apartments. Apartments cost ~$625 per month, which includes utilities.

CASE STUDY — Sacramento, California

Old motels made into livable one- and two-bedroom affordable apartments

The Sacramento Housing and Redevelopment Agency has a "motel reuse strategy" in place that paved the way for repurposing an old, dilapidated Budget Inn Motel into 74 units of permanent, supportive housing units for disabled people experiencing homelessness.

The strategy spurred others to follow suit. In October of 2017, the agency submitted an environmental impact assessment for the rehabilitation of a fully operational 148-room Courtyard Inn into 92 units of studio, and one- and two bedrooms affordable apartments. Included in the plan is the conversion of an 8,500-square-foot restaurant into offices and community space.

While there are issues with repurposing, such as meeting modern code requirements, a demand may still exist for affordable housing that may be attractive to some private developers without recourse to public funding or LIHTCs.

Potential private-public partnerships to acquire motels for repurposing could include CCHA, the city and the Urban Renewal Authority wherein investment companies could receive property tax breaks and access to money from municipal bonds. (Note: motels often are not candidates for mixed-use, market-rate housing.)

2

STRATEGY #2

Explore Options To Fund Housing Development

RECOMMENDATION 1 Consider fee and tax incentives and other funding approaches to balance Commerce City's housing stock (e.g., low- and moderate -income, special-needs and senior housing, as well as housing for those experiencing homelessness)

- Explore waiving and/or reducing city fees to incentivize development of underrepresented housing types
- Explore property tax abatements to achieve similar goals

A) Low-income housing tax credit program

Recommend the city work with CCHA to investigate the use of low-income housing tax credits as a way to help fund housing for persons with special needs and low-income families.

B) Developer incentives

Recommend the city make use of tax relief and other funding incentives to encourage development of housing to meet the needs of the spectrum of people and income levels.

No single funding strategy can solve Commerce City's housing challenges. Rather, a combination of programs including federal tax credits, state funds, housing trust funds, private investment and philanthropy, along with public land contributions can provide pathways that support efforts to balance the housing stock in Commerce City. Some of the funding instruments are specifically intended for low-income housing. The second section of this report focuses on affordable housing where those particular funding strategies are most relevant, but the instruments are detailed here because city involvement is needed for implementation to occur.

Subsidies come in different forms. Some, like vouchers or rental assistance, make rent affordable, leaving renters enough income to meet other needs. Other subsidies, like tax credits, HOME funds, Community Development Block Grants, and housing trust funds help fund construction, development and major repairs.

CASE STUDY

Albuquerque, California

Microsoft got its start in a converted motel

Albuquerque's conversion of the old Luna Motel, a place where Bill Gates and Paul Allen stayed while coming up with MS-DOS, is a notable success story. The motel was converted into a 71-unit mixed-use affordable housing development by New Life Homes that provided affordable living and work space for the young entrepreneurs. It is frequently cited as a model of successful conversion.

A) Low-Income Housing Tax Credit program

Recommend the city work with CCHA to investigate the use of low income housing tax credits as a way to help fund housing for persons with special needs and low-income families.

The Low-Income Housing Tax Credit (LIHTC) program is one of the largest sources of federal funding for affordable housing development. Nationally, these tax credits have supported the construction or rehabilitation of nearly 3 million apartments for low- and moderate-income families.

The credit program is an incentive to investors, both individual and corporate, who may receive 10 years of tax credits in return for investing equity capital into the development of eligible housing projects. Tax credits are awarded to developers of qualified projects. Developers then sell the credits to investors to raise capital (or equity) for their projects. This reduces the amount the developer would otherwise have to borrow, and because the debt is lower, the property is able to support and sustain lower, more affordable rents. The credits sold to investors generate equity for rental developments serving families with incomes below 60 percent of the area median income (AMI).

There are two types of tax credits – nine percent and four percent. Because of the its higher value, the nine percent credit allocation process is more competitive. Each year for 10

CASE STUDY

Arlington County, Virginia

Affordabale housing investment fund

Arlington County, Virginia, created the Affordable Housing Investment Fund (AHIF) in 1988. It provides low-interest loans for new construction, acquisition, and rehabilitation of affordable housing. Since its inception, AHIF has originated more than $274 million in loans for affordable units. Once such development is the 116-unit Views from Clarendon development. AHIF provided a $13.1 million loan for the affordable housing portion of the project. Seventy of the units are leased to individuals and families with incomes ranging from $35,000 to $50,000 per year, and in 2012 was named "Best Affordable Housing Development" at the Governor's Housing Conference.

Funding tools: NHC offers concise info on housing funding

The National Housing Conference (NHC) provides information and resources on a range of special needs and affordable housing policies and practices, including funding tools, inclusionary community approaches, regulatory strategies, ways to create stable neighborhoods and sustainable development practices. The narratives are clear and concise. For more details: www.nhc.org/nexus-policy-guides.

Funding Tools
- Assistance for Low-Income Homeownership
- Tax Increment Financing
- Tax Abatement
- Impact Fees
- Pre-Development and Acquisition Funds and Interim Financing
- Cross-Subsidies to Create Mixed-Income Housing
- Employer-Assisted Housing
- Federal Housing Programs
- Housing Trust Funds
- Low-Income Housing Tax Credit
- Bonds

Inclusive Communities
- Inclusionary Housing
- Land-based Solutions
- Shared Equity Homeownership
- Rental Preservation
- Voucher Mobility

Regulatory Strategies
- Building Codes
- Permitting
- Land Use and Zoning

Stable Neighborhoods
- Addressing Blight
- Foreclosure Prevention
- Foreclosure Recovery
- Neighborhood Revitalization

Sustainable Development
- Transit-Oriented Development
- Disaster Resilience
- Compact Development

HOME Program

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that use them. These are often done in partnership with local nonprofit groups, making it possible to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments and is designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions. The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees, other forms of credit enhancements, rental assistance or security deposits.

The program was designed to reinforce several important values and principles of community development, including:

- Provide flexibility that empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- Emphasize consolidated planning in a way that expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- Build capacity for technical assistance activities and set-asides for qualified community-based nonprofit housing groups.
- Ensure that participating jurisdictions match 25 cents of every dollar in program funds to mobilize community resources in support of affordable housing.

years, a tax credit equal to roughly nine percent of a project's qualified costs of construction may be claimed.

The four percent credit is generally claimed by developers who are rehabilitating existing affordable housing projects or by developers doing new construction that is primarily financed with tax-exempt bonds. The four percent credit is not subject to the same annual allocation caps as the nine percent credit.

The Colorado Housing and Finance Authority (CHFA), the state's allocating agency for the federal credits, has provided more than $2 billion in equity for affordable rental housing in Colorado since the program began. Colorado also has a State Low Income Housing Tax Credit (state LIHTC) that is modeled after the federal program. The state program was originally established in 2001, then renewed in 2014 and 2016. Since the addition of state LIHTC in 2015, the number of rental units supported by CHFA has nearly doubled the number of four percent deals.

The 2017 reduction in the federal corporate income tax rate from 35 percent to 21 percent resulted in a sharp drop in equity pricing for federal LIHTCs. To provide gap coverage, CHFA held back a measure of tax credit funding. In 2017, the state LIHTC directly supported 12 affordable housing developments, many of them in the Denver region, though none in any community in Adams County.

Demand for the housing credits regularly exceeds supply. If the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their federal tax liability each year over a period of 10 years. The amount of the annual credit is based on the amount invested in the affordable housing.

Commerce City, which has had several successful projects over the past decade, is well-positioned to qualify for tax credits based on the criterion used by CHFA. Among its guiding principles, CHFA favors projects that serve the lowest-income tenants for the longest period; projects that contribute to a concerted community revitalization plan; and, notably, projects that provide opportunities for affordable housing within a half-mile walking distance of public transportation such as bus, rail and light rail.

The construction of the North-line light rail station around 70th Avenue in the Opportunity Zone, its location near the Derby community and the 62-acre renewal project of the former Mile High Greyhound Park make this area a prime location for affordable housing projects that would meet the standards needed to qualify for LIHTC.

Furthermore, the Greyhound Park area is located within Census Tract 87.09 which is considered a Qualified Census Tract (QCT), which means the census tract has a poverty rate of at least 25 percent and/or at least 50 percent of the residents in the census tract have incomes at or below 60 percent of the area median income. If a project is located in a QCT, the eligible basis of the project is increased by 30 percent, meaning the project is eligible to receive 30 percent more tax credits than a similar project not located within a QCT. This puts Commerce City in an advantageous position to qualify and receive these additional benefits.

B) Developer incentives

Recommend the city make use of tax relief and other funding incentives to encourage development of housing to meet the needs of the spectrum of people and income levels.

By offering developers benefits in exchange for including a share of affordable rental housing for low- and moderate-income families, the city could increase its stock of affordable housing particularly for those in the workforce who provide vital services but earn at the lower end of the income spectrum.

For example, developers who provide at least 20-25 percent of units in a development priced and reserved for households with incomes at or below 80 percent of average median income might receive benefits such as expedited project reviews, waivers of land use restrictions, particularly with regard to density.

According to a 2018 study by Grounded Solutions Network, the most common incentives offered to developers are 1) density bonuses (78 percent); 2) zoning variances other than density, such as reductions in parking standards (44 percent); 3) fee reductions or waivers (37 percent); 4) expedited permitting (26 percent). Some jurisdictions offer developers technical assistance and allow them to reduce the size and finish costs of more affordable units.

Mixed-income buildings have a certain number of units set aside for people making no more than 30-60 percent of the average median income, and who pay less than market rent. Developers can be compensated for these units in the form of tax credits, grants, vouchers and other means

STRATEGY #2

2 Explore Options To Fund Housing Development

RECOMMENDATION 2 Explore use of Capital Improvements Preservation Plan (CIPP) funds to assist CCHA in housing development

- Consider acquisition of parcels for future development and funding infrastructure projects to encourage housing development
- Consider use of CIPP funds to support the diversification of housing in Commerce City

Capital Improvements and Preservation Plan funding

Recommend use of CIPP funds to assist in CCHA in acquiring parcels for future development and funding infrastructure projects to encourage housing development.

In 2013, Commerce City's voters approved a 1 percent sales and use tax increase with the campaign slogan – "Five projects. Five years. One penny." The ballot measure was a result of a two-year, community-driven process to identify how to implement programs and services that address growing population needs, achieve vision and build a better Commerce City.

The five projects included creation of three new parks, widening of Tower Road, construction of Paradice Island outdoor leisure pool and 2-acre water park, additions and renovation of Eagle Pointe Recreation Center in the historic city and the construction of Bison Ridge Recreation Center in the northern range. The promise of the campaign has borne out, the projects all but completed by the start of 2019, on schedule.

As an in-perpetuity tax, the Capital Improvements and Preservation Plan (CIPP) is prepared for five-year periods and updated annually, providing city council and city departments a guide for planning capital expenditures beyond the annual budget year. The capital improvement budget is a logical source of funding to help address issues of housing related to special populations, e.g., elderly, disabled and homeless. This recommendation advocates earmarking appropriate funds for the Commerce City Housing Authority (CCHA), a move that would bolster CCHA's leadership role in diversifying housing in Commerce City, especially among special populations. It is important to note that the city's annual operating budget assumes the costs of maintaining and operating new capital projects and facilities that are constructed within the capital budget.

Adding housing and the CCHA in the CIPP plan would be benefitted by including it in the city's comprehensive planning process. Locating projects, determining use and scale is an essential step in the planning process. Capital funding of housing projects must be done in tandem with initiatives that grow CCHA's operational capacity.

CIPP FUNDING PROCESS

The identification and budget process for capital improvement projects begins annually in the spring with a review of Council adopted existing projects. New or expanded project requests are prepared by departments and reviewed by executive management. Work continues with the process of balancing the five-year plan. Projects are added, eliminated, or extended into the second, third, fourth, and fifth year of the plan; and available funding is analyzed. The city manager and city council review the five-year CIPP, and after council's preliminary acceptance of the plan, the information is incorporated into the overall regular budget review process.

2

STRATEGY #2

Explore Options To Fund Housing Development

RECOMMENDATION 3 Consider allocation of CBDG funds to CCHA to help further housing programs

- Provide funds to CCHA to:
  - Establish a revolving loan fund to address substandard housing conditions to preserve the existing housing stock
  - Fill financing gaps on redevelopment and rehabilitation projects
  - Help low- to moderate-income renters transition to homeownership (future funding)

Affordable Housing Revolving Loan Fund

Recommend the city establish an affordable housing revolving loan fund, making use of community development block grant funds (under section 108).

A revolving loan fund (RLF) is a replenishing source of funds from which low-interest loans are made to assist in a range of activities from helping low-income families purchase a home to assisting developers and nonprofits to build or acquire structures suitable for repurposing into affordable dwellings. As the loan is paid back the money is made available for future development. Such funds could eventually be expanded to offer second mortgages, and, possibly, first mortgages.

Making money available at reduced interest rates can stimulate the development of low-income housing. In 2015, Denver launched a $10 million revolving loan fund to address the city's crisis of available housing. The RLF was started to support the development of multi-family rental units for individuals and families who earn up to 60 percent of the area median income (AMI). The fund will initially provide loans for six to seven apartment projects totaling 800 to 1,000 units. The first of these seven developments – Northfield Apartments – provided 84 income-restricted units and opened in November 2016.

By utilizing CDBG entitlement funding and Section 108 Loan Guarantee, the city could initially fund an Affordable Housing Revolving Loan Fund. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities and improvements to increase their resilience against natural disasters. This flexibility makes it one of the most potent and important public investment tools that HUD offers to state and local governments.

Section 108 gives state and local governments the ability to transform a small portion of their Community Development Block Grant into federally guaranteed loans large enough to undertake physical and economic revitalization projects capable of reviving entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas.

An Affordable Housing Revolving Loan Fund could then provide below market rate loans for owner-occupied rehabilitation of homes, small rental rehabilitation and redevelopment of underutilized properties in Commerce City.

CDBG funds can be coupled with other city funds as available to include acquisition of vacant, blighted and under-utilized properties for redevelopment. Under the Section 108 Loan Guarantee program, the potential funding available is equal to five times the city's annual CDBG allocation or approximately $2 million. Loan documents and funding agreements ensure long-term affordability through income and rent restrictions and property management standards similar to LIHTC- and HOME-funded projects.

There are four components to a revolving loan fund: fundraising, marketing, underwriting and servicing. Commonly, local government handles all four. In the case of Commerce City, CCHA would be the logical entity to manage the fund in coordination with the city. Long-term management of the RLF could also be outsourced to a local community development financial institution or bank that may be able to further capitalize the revolving loan fund as a component of Community-Reinvestment-Act-mandated investment in the community.

3

STRATEGY #3

Promotion of Opportunity Zone Within Commerce City

RECOMMENDATION 1 Maximize Opportunity Zone investment

Opportunity Zone – another tool for development

Recommend the city work with private developers to maximize the Opportunity Zone investment and parlay that to increase the city's stock of mixed-use and affordable housing.

The designation of Commerce City's Opportunity Zone, while not addressing affordable housing directly, offers one more tool that could be used to encourage mixed-use and scattered site housing in areas where commercial development is occurring.

As of April 2018, Census Tract 008353, located in Commerce City, has been designated one of 126 Opportunity Zones in the state of Colorado. (The area outline in red on the map on page 37 shows where the Opportunity Zone falls in Commerce City.) The Opportunity Zones incentive has been part of the federal tax code for less than a year, so early participation could advantage Commerce City with fewer communities aware of the opportunity. Beyond that, qualified investments must be held for a minimum of five years by the end of 2026, which means investments need to be made by the end of 2021.

Opportunity Zones are nominated by their respective states, targeting economically distressed census areas, both rural and urban. The concept behind the Opportunity Zone initiative is to use federal corporate tax relief as a way to attract developers and create hotspots for economic revitalization, driving long-term private investment in blighted areas.

The Commerce City Opportunity is bounded to the west by I-25 and Washington Street; to the east by Vasquez Boulevard and Dahlia Street; and to the south around E. 52nd Avenue in the area of Sand Creek Landfill (see map on page 37). The south and west areas of the

Recommended strategies: Opportunity Zone development

Timeline

2019

2020

2021

» During the pilot program phase (24 months), only a few loan products would be available for minor owner-occupied and existing rental housing repairs. As the program expands to the historic city, more loan products and types would be added.

Target areas

→ During the 24-months of the pilot program phase, focus should be made in the identified Opportunity Zone census tract.

Opportunity Zone tax incentives

There are a number of tax incentives that come from holdings in a qualified opportunity fund. Capital gains from the sale of appreciated assets are deferred until Dec. 31, 2026. Capital gains can be lowered up to 15 percent because of an increase in the basis of the appreciated asset used to buy fund interest. Capital gains can be eliminated in a qualified fund if it is held for 10 years or longer.

Opportunity funds can be used to invest in projects ranging from commercial construction to residential housing. In and of themselves, they are not restricted to the construction of affordable housing, but their attractive tax advantages can be added to opportunity funds that are public private partnerships designed to rehabilitate commercial buildings (warehouses, offices, etc.) into affordable homes, build micro-home communities on public land granted for such a project, including new construction. Rent monies can be paid through subsidies from nonprofits, allowing private investors to produce a positive return on investment.

Novogradac, a national professional services organization, is an excellent resource for understanding funding instruments for affordable housing. For more information and up-to-date news on Opportunity Zones, go to Novogradic' Opportunity Zone Resource Center at https://www.novoco.com/resource-centers/opportunity-zones-resource-center

CASE STUDIES

Sacramento, California

Two Phoenix-based developers see OZ funds as accelerants to raise capital

Among the early adopters of Opportunity Zone funding are two Phoenix-based developers, Virtua Partners and Caliber – The Wealth Development Company. The CEOs of both companies see OZ funding as an accelerant to raise capital. And both emphasized the importance of moving quickly on the funding opportunity.

These two case studies were gleaned from a recent article in The Novogradac Journal of Tax Credits, which featured several of the early adopters of Opportunity Zone funding, including Virtua and Caliber. Virtua Partners reinvested capital gains dating from 2017, as allowed in the new U.S. Treasury rules, to build a product for potential investors. Virtua's current fund has a $200 million goal and will focus on single-family and multifamily housing development, as well as some limited service hospitality investments.

Currently, Virtua has three projects in the pipeline, including a 90-apartment multifamily rental housing development in Tempe and a single-family residential development in Glendale made of 81 townhomes.

Caliber launched a $500 million OZ fund that will be leveraged to target $1 billion of hospitality, commercial and residential real estate investments in the Southwest growth markets of Arizona, Texas, Colorado, Nevada and Utah.

Caliber's planned investments in Arizona include a new hotel for Tucson's convention center, a revitalization of historic downtown Mesa, energy-efficient town homes in Tempe and several investments near Grand Canyon University in Phoenix.

In Texas, Caliber is planning to develop university housing in San Antonio.

The article quotes Chris Loeffler, CEO of Caliber: "In the last decade raising and deploying over $225 million in client capital, I've never seen the level of interest in one of our funds that we've seen with this."

Opportunity Zone are heavily industrial and not suitable for residential development.

The areas to the north and east contain tight-knit communities, including Adams Heights and Adams City. The North-line station serving the Denver FasTracks System will be located around 70th Avenue in the Opportunity Zone, enhancing its attractiveness for transit-oriented development. With appropriate zoning allowing for mixed use development, and agreements with private developers to build or rehabilitate either mixed units with some market rate housing and some designated for low-income earners, the area could expand the city's housing stock. The combination of incentives, grants, transit-orientation and the location in the Opportunity Zone make this an area to target for affordable housing for middle- and low-income households, as well as special populations.

While not in the Opportunity Zone, the Mile High Greyhound Park will be the site of a major 62-acre renewal project, slated to begin in 2019. Its location contiguous to the Opportunity Zone and near a light rail station will be an enhancement to the area. It is already a Tax Increment Finance (TIF) district, which means all new taxes generated in the district will be reinvested to improve the district. TIFs that are not specifically designed

CASE STUDIES

Washington D.C. and L.A.

Fundrise raising funds for multi-family rehab projects

One early opportunity fund manager is Fundrise, an online real estate investment platform. Fundrise's Opportunity Zone (OZ) fund has two properties in the pipeline. One is a historic rehabilitation of a multifamily property in Washington, D.C. The other is a creative office renovation in Los Angeles.

Co-founder and CEO Ben Miller says Fundrise investors tend to be individuals investing through limited liability corporations or trusts. Miller learned about OZs in April and spent the past few months consulting legal experts on how the new incentive might make sense for Fundrise investors. Miller said that Fundrise's longtime focus on multifamily housing and urban markets made OZs a natural fit.

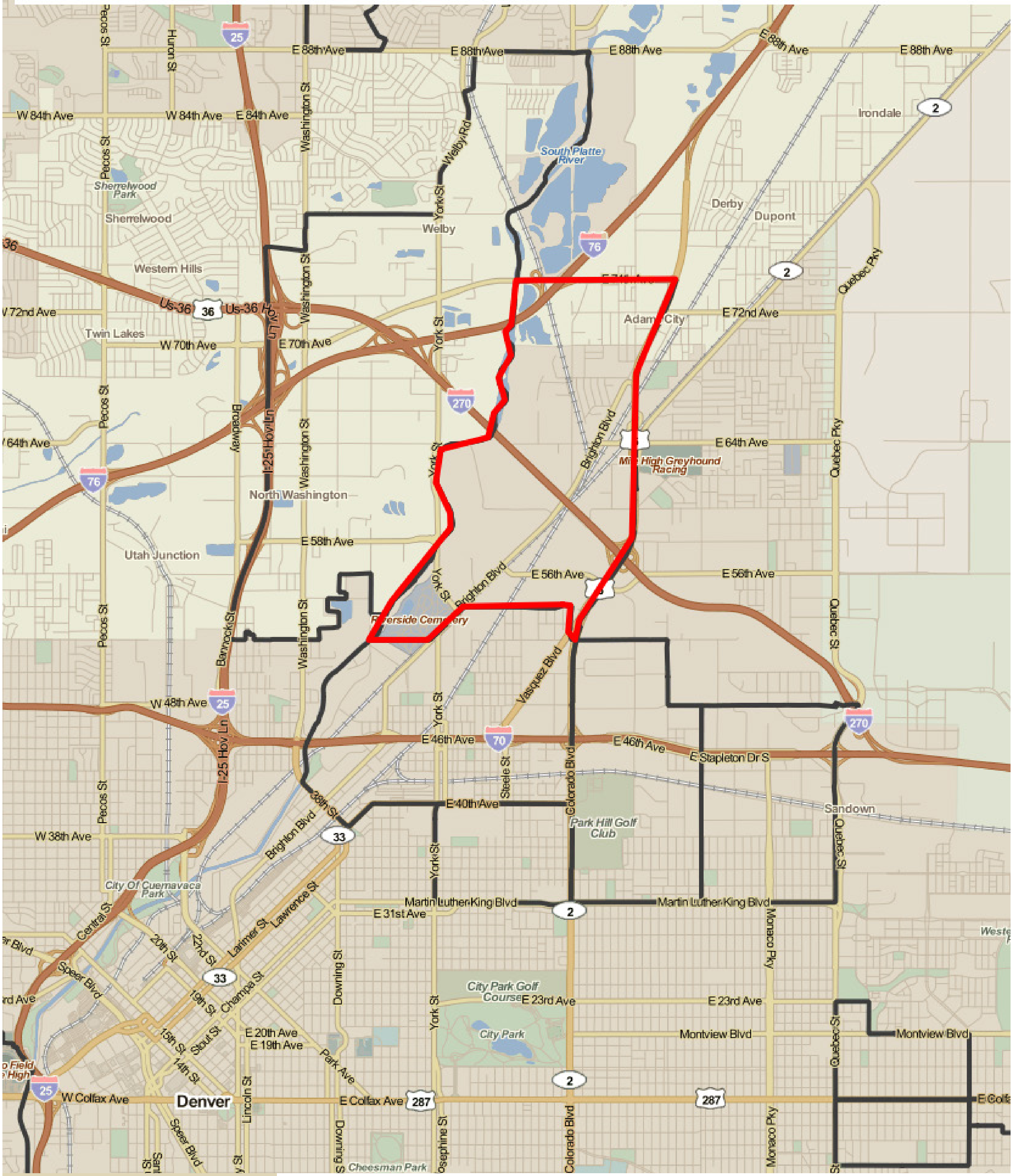
"We're operating in Opportunity Zones already," said Miller, referring to previous Fundrise investments in areas later designated as Opportunity Zones. "It wasn't a big leap for us to then start to look at Opportunity Zones as its own investment strategy."

Fundrise launched its OZ fund in early August 2018, but posted a teaser on its website two weeks earlier, which drew favorable responses by interested investors. Fundrise aims to raise $500 million for investment before the fund closes Dec. 31, 2019.

to increase affordable housing but can still reserve a percentage of revenue for affordable housing development. Portland, Oregon's minimum TIF reserve is set at 30 percent, a policy that has generated substantial funds for affordable housing in Portland (see sidebar page 21).

Opportunity Zones

The area marked in red shows Commerce City's Opportunity Zone.



Corporation for Supportive Housing offers funding and resources for supportive housing projects of all sizes

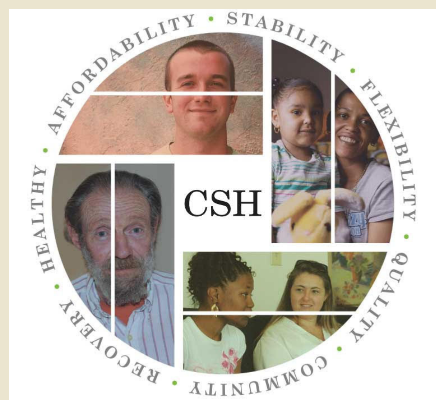
The Corporation for Supportive Housing (CSH) is an established leader in the supportive housing movement. For more than 25 years, CSH has been a game-changer for the most vulnerable people in our country, providing a font of resources – financial and educational – to housing authorities, agencies, developers and local governments grappling with issues of housing for those in need. CSH was founded on the idea that stable housing and supportive services are key to people leading productive lives. Over the years, CSH has helped communities create more than 200,000 homes for individuals and families who did not have one.

CSH infuses projects and initiatives that include supportive housing with funding that drives expansion and progress. Its financial support ensures a diverse set of supportive housing options and encourages the use of new financing models and architectural design. CSH offers a comprehensive portfolio of services that boost the value and impact of work in more than 300 cities and 48 states throughout the U.S.

CSH loan products and expertise take communities from concept to construction and beyond. In order to qualify for a loan, a minimum of 10 percent of the project's units must be targeted for supportive housing. The loan products are available as stand-alone or combined with other loan products. CSH will work with communities to pair financing with CSH trainings and technical assistance if needed.

Project guidance and loan products

PROJECT INITIATION LOANS (PILS)
These early stage loans are a unique CSH offering. PILs encourage developers to get projects off the ground with flexible terms that may include 0 percent interest for the first 24 months. PILs are typically up to $50,000 and are sized to move your project through the feasibility stage of the development process.

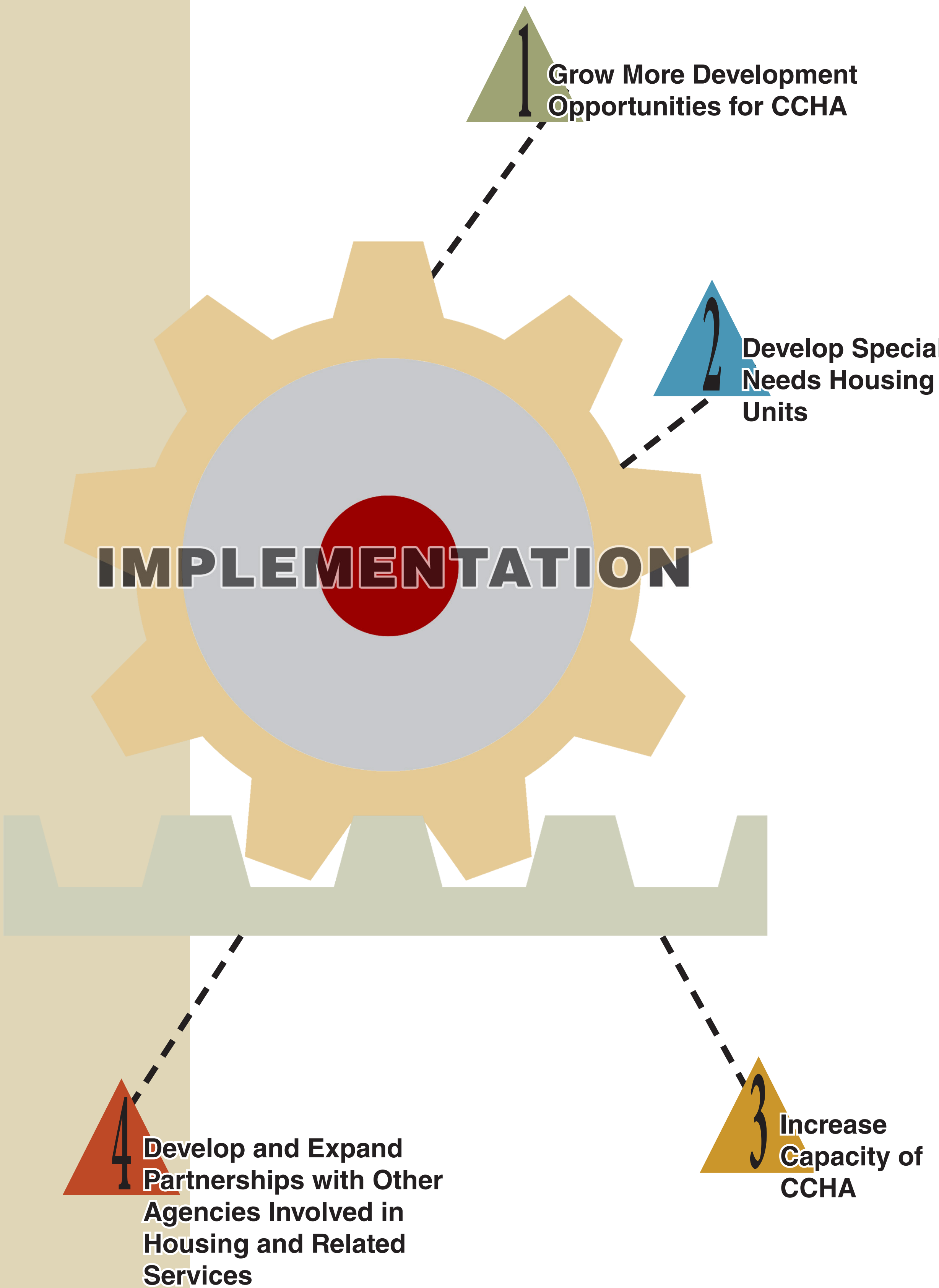


ACQUISITION LOANS
CHS provides financing for real estate acquisition in connection with the development of supportive housing. Whether combined with a predevelopment loan or on its own, acquisition loans offer the same great rates and flexibility of all our financial products. Securing project financing can take multiple years and an acquisition loan can help you acquire land and hold it during this financing phase.

PREDEVELOPMENT LOANS
Once project concept and schedule are in place and the site(s) identified, predevelopment begins. CSH offers funding for these up-front costs. CSH predevelopment loans are priced at competitive interest rates and are flexibly structured to meet the project's financing needs. Unlike many CDFIs, CSH will consider loan amounts of over 100 percent of collateral value.

MINI-PERMANENT LOANS
For projects that have completed construction, CSH offers amortizing loans typically structured with terms of five to seven years.

BRIDGE LOANS
Sometimes funding sources can be delayed beyond a length of time that a supportive housing provider can sustain on their own. CSH offers loans to bridge delays in funding related to the capital development or services provision for a supportive housing development.


1 Grow More Development Opportunities for CCHA
2 Develop Special Needs Housing Units
IMPLEMENTATION
3 Increase Capacity of CCHA
4 Develop and Expand Partnerships with Other Agencies Involved in Housing and Related Services

Summary overview

The Commerce City Housing Authority (CCHA) Affordable Housing Implementation Plan makes up the second plan in this report. Like the Balanced Housing Plan, it grew out of the 2018 Commerce City Housing Needs Assessment. The Affordable Housing Implementation Plan looks at funding, incentives and resource options that address the growing lack of affordable housing in the city.

There is no single solution to the problem of affordable housing in Commerce City, rather the problems are multi-faceted, existing in the context of a region, state and nation also facing issues of housing affordability. This implementation plan recommends Commerce City Housing Authority and its partners, including the city and the Urban Renewal Authority, take on a more proactive role in the preservation of affordable housing and development of newly constructed affordable housing for rent and homeownership. The plan offers a range of funding and project-based solutions to address the shortage of desirable affordable housing, the growing number of homelessness and the lack of housing for special needs populations.

As Commerce City continues to experience strong growth and transformation, the housing needs of the community also are changing. This is a critical time for CCHA to assume a strong leadership role in the provision of affordable housing with the support of the city government.

Communities that have made the greatest strides in addressing issues of housing have recognized the need for sustained attention and leadership. To keep housing issues in the forefront requires involvement from all segments, including elected officials, business leaders, developers, and those who serve through government, nonprofits and in the faith-based community. A dedicated group of champions who see dealing with housing problems as vital and are able to devote time and energy to the effort can make a profound difference.

Keeping the community educated about the housing problems it faces is crucial. A leadership group comprises a core of individuals who remain informed about the problems and are available to address them to community stakeholders. These leaders can form committees that tackle the complexities of housing ranging from fund raising to the provision of social services. They can recruit committees and groups to address specific problems and keep the issue of housing among the forefront of community problems that need continuous attention.

CCHA would be a natural to serve as a housing champion for Commerce City and a key player in the leadership team described above. This section of the report focuses specifically on expanding affordable housing in Commerce City with CCHA as the central actor in the effort.

The 2018 Commerce City Housing Needs Assessment clearly shows that the city is part of a regional dynamic where rising housing costs are significantly outpacing income.

This is a critical time for Commerce City Housing Authority to assume a strong leadership role in the provision of affordable housing with the support of the city government.

> *Historically, renters and buyers found affordable housing in Commerce City. But with demand for housing in Denver consistently outpacing supply, increasing numbers of buyers and renters have looked beyond the Mile High City for housing. This has placed pressure on a housing stock that is not keeping pace with demand. Even with Commerce City's rapid growth occurring at a rate faster than most other communities in the Denver Metro Area, the city is grappling with its own housing crisis in areas of critical need.*
>
> – Excerpted from the 2018 Commerce City Housing Needs Assessment

CCHA developed a strategic plan in 2011. It contained goals and action items that relate to the recommendations and strategies presented here. Some goals from the 2011 plan have been accomplished, others have been set into motion and some have not advanced.

As is the case with all comprehensive plans, progress toward meeting the goals and strategies outlined as well as assessing evolving needs must be regularly revisited. Likewise, new strategies

Acknowledgment of current programs and achievements by CCHA

The Commerce City Housing Authority (CCHA) has ownership interest/partnerships in 445 affordable housing units throughout Commerce City and administers approximately 120 Housing Choice Vouchers. Currently, CCHA is in partnership to operate Pinecrest Apartments, a 114-unit housing complex, and Conter Estates, a 115-unit apartment for seniors and those with disabilities. Both are tax credit and income-restricted properties.

CCHA's most recent partnership is North Range Crossing, a 216-unit income-restricted development. Construction of North Range Crossing will be completed in 2019. CCHA also recently partnered with the Village Crest, a 120-unit apartment complex at 3483, 6201 E 62nd Ave., as a limited liability partner for Tax Credit Rehabilitation.

CCHA helps with low-interest down payments for first-time homebuyers and also offers assistance loans for repairs for income-qualifying homeowners.

CCHA actively operates and/or has been involved in:

- Working with developers on affordable housing through Low-Income Housing Tax Credit (LIHTC) projects
- Home Repair Loan Program
- Client Referral System
- Section 8 HCV Program
- Denver's Metro Mortgage Assistance Plus Program

In 2016, Commerce City surpassed the 50,000 population threshold and thus now qualifies for Community Development Block Grant (CDBG) funds through HUD. The City of Commerce City received $386,340 in CDBG funds during the second program year, which runs from Oct. 1, 2017 through Sept. 30, 2018.

The funds have been used to further the first-year programs with a focus on the city's highest concentration of low-income residents, minorities and older homes in need of major repairs. The target area is the historic city south of East 96th Avenue, east of Hwy 2 and Quebec Street, then south and west to the city boundaries.

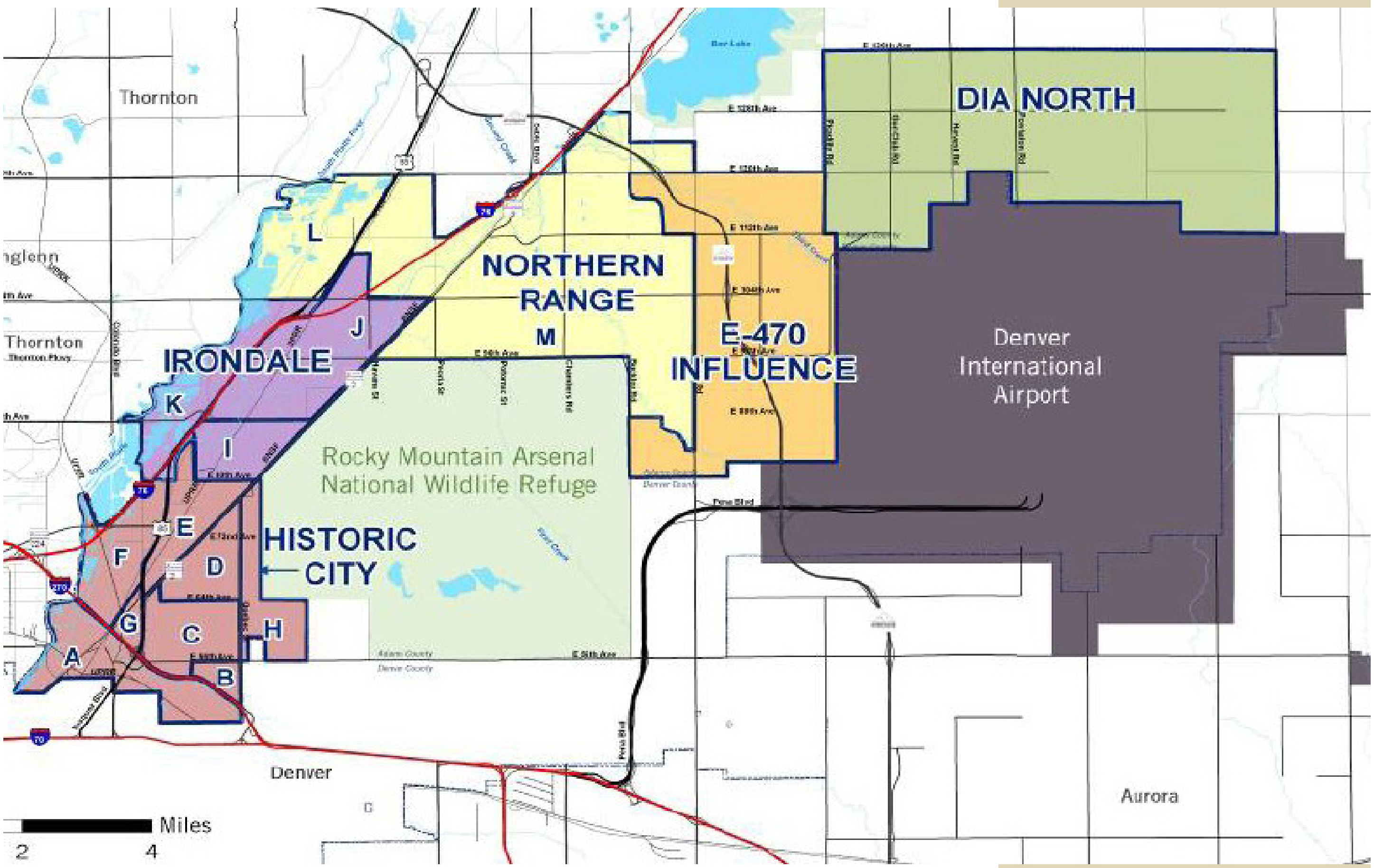
Since 2016, CCHA:

- Increased its staff to assist in the numerous projects it facilitates
- Partnered with private developers on a 216-unit affordable housing project in the northern range, which was completed in 2018
- Investigated ways to expand the voucher program to help address current unmet housing needs in Commerce City.

also need to be assessed. For example, the establishment of an Opportunity Zone was an option made available to communities only as of January 2018 when the U.S. Congress passed new tax legislation that offers tax incentives to investors to encourage development in blighted areas.

This section of the report offers practical strategies to address issues of housing affordability and accessibility, including facilitating and incentivizing public-private partnerships through:

- Community-assisted housing
- Senior housing and "age-friendly" communities that combine supportive services with appropriate housing plans that accommodate the needs of aging populations
- Non-profit community organizations that could mutually benefit through collaboration in the provision of services, including housing-health partnerships where health care services are readily accessible at or near housing developments that serve seniors, those experiencing homelessness and those with special needs
- Transit-oriented development that provides ease of access to different modalities of transportation for those in the workforce, seniors and people with disabilities
- Local sources of housing funding and incentives that could include:
    - Dedicated line item in the city's general fund
    - Revolving loan fund(s)
    - Tax breaks and other financial incentives for developers
    - Building fee waivers
    - CBDG, HOME and other funding sources



Action plan tackles range of housing and social service issues

The Annual Action Plan is a cooperative effort between the City of Commerce City and housing and service providers that gives the public information about how the city intends to use its annual CDBG allocation. These annual plan updates are required by HUD for all CDBG grantees .The plan continues initiatives started in previous years and advances several new housing and social service initiatives, including:

- Sidewalk Installation and Repairs – This public facilities project is a continuation of the 2016 Annual Action Plan project of installing and repairing sidewalks in the target area to improve accessibility, remove hazards and contribute to the city's goal of pedestrian connectivity throughout the city.
- Bus Stop Improvements – Installation of benches, shelters, concrete pads and trash receptacles in the most heavily used bus stops within the target area.
- Home Repair Program – A new home repair program will address the health, safety, accessibility, energy efficiency and structural integrity of owner-occupied homes through rehabilitation efforts with grants of up to $7,500 per home.
- Support for Domestic Violence Victims – This is an expansion of an existing city program. Victims and their dependents will receive financial assistance for rent and utilities to escape their abuser.
- Recreation Activity Scholarships – This is an expansion of an existing city program. A 50 percent discount will be made available to low- and moderate-income residents enrolling in city recreational activities.
- Affirmatively Furthering Fair Housing – Fair housing education efforts will be expanded throughout the city with the purchase display units, printing and distribution of bi-lingual resource materials, displaying posters and co-hosting a fair housing training session with Denver Metro Fair Housing Center and HUD. Educating the city on fair housing concerns will be the primary focus of the city's second year with CDBG.
- Residential Resource Directory – Production of a booklet style directory was apart of the annual action plan but is no longer being pursued. Adams County recently released a directory.

FHLBank provides funding for special needs housing projects

FHLBank Topeka's affordable housing and community development programs provide financial assistance to housing authorities for housing for seniors, low-income households and those with disabilities.

FHLBank approved more than $14.5 million in affordable housing program grants in 2018, predominantly in FHLBank Topeka's four state district of Colorado, Kansas, Nebraska and Oklahoma. More information about the 2019 AHP round will be available starting in January with applications accepted starting in mid-May.

STRATEGY #1

Grow More Development Opportunities for CCHA

1

RECOMMENDATION 1

- Acquire small rental projects for redevelopment
- Acquire underutilized properties for future development
- Identify vacant and degraded properties for potential acquisition
- Partner with community organizations
- Join the Adams County HOME Consortium

Acquire small rental units and underutilized properties

Recommend CCHA acquire small rental projects for redevelopment and acquire underutilized properties for future development

The Commerce City Housing Authority should take an active role in the acquisition of vacant, abandoned and underutilized parcels throughout the jurisdiction for rehabilitation, redevelopment or new construction of affordable housing. CCHA could increase capacity by developing small, affordable rental projects, some of which could target the housing needs of the elderly, disabled and homeless.

To advance this strategy, CCHA and the City of Commerce City would identify/catalogue vacant properties and dilapidated houses that can be acquired inexpensively. Partnering with nonprofits such as Habitat for Humanity, churches and other community organizations would increase collaborative efforts. Some housing authorities have worked with religious organizations that have unused or underused property facilities. (See case study on page 49 involving a church in Alexandria, VA.)

By partnering with local non-profit developers and/or soliciting general contractors/developers to provide turn-key development services, CCHA would leverage its ability to spearhead affordable and special housing efforts. To build capacity, initial projects should be fewer than 10 units in size.

A critical step in strengthening CCHA's eligibility for funding is for Commerce City to join the Adams County HOME Consortium. This will qualify CCHA to apply for HOME Program funding. Both HOME Program and CDBG funds can be used for acquisition, rehabilitation and/or new construction of affordable housing as well as down payment assistance.

Adams County is the leader of a HOME Consortium for communities in the county, which currently includes the cities of Westminster and Thornton as members. In order to qualify for designation as a Community Housing Development Organization, Commerce City must apply to Adams County Community Development and show that it meets requirements pertaining to legal status, organizational structure, capacity and experience.

Recommended strategy: Acquire property for small development

Timeline

2019

» Complete first small development (fewer than 10 units) as a pilot within 18 to 24 months.

2022

Target areas

→ Prime areas to consider are Derby, Kemp, Rose Hill, Adams City

→ Northern part of the economic Opportunity Zone outside the industrial area

CCHA currently is eligible to apply for housing funding from the following sources:

- Commerce City – CDBG Program
- Colorado Department of Local Affairs (DOLA) – HOME Program
- Federal Home Loan Bank of Topeka – Affordable Housing Program
- FHLBank Affordable Housing Program – largest privately funded housing grant program in the nation

By way of example, under the 2017 program year (July 1, 2017-June 30, 2018), the City of Thornton, as a HOME Consortium funder, allocated $110,000 to Habitat for Humanity for new construction. In program year 2016, Adams County allocated $400,000 to the Adams County Housing Authority for construction of new low-income housing. This recommendation is offered under Strategy 4 of this implementation plan: Develop and Expand Partnerships with Other Agencies Involved in Housing and Related Services.

CCHA's strategic plan has targeted both the northern range and the older parts of Commerce City for expanded efforts. The economic Opportunity Zone (see the Balanced Housing Plan in this report for a detailed description) offers some possibilities of working with developers interested in mixed retail or commercial space with residential efficiencies and apartments on upper floors.

Vacant land, either infill lots that have been cleared in the older parts of the city or the northern range, could be ideal spots for building tiny- or small-home communities financed through loans, local philanthropy or in partnership with nonprofits such as Habitat for Humanity. Since CCHA provides homebuyers assistance, it already has experience helping those who want to own their own home. Partnering with local banks offers the potential of providing loans with lowered interest rates.

One way to increase the supply of affordable housing would be to work with the city to acquire vacant lots, abandoned or dilapidated housing and either erect housing (such as tiny houses on vacant or cleared lots) or rehabilitate existing structures (see BHP strategy 2).

Commerce City's historic city shows potential in terms of cost and land availability. As with other strategies, the Opportunity Zone Census Tract offers a bigger "bang for the buck" because of the increased potential of attracting varied sources of capital for economic development.

FHLBank Topeka assists low-income first-time home buyers

FHLBank Topeka sets aside funds annually within the Affordable Housing Program to assist very low, low-, and moderate-income first-time homebuyers.

The Homeownership Set-aside Program (HSP) provides down payment, closing cost and repair assistance to first-time homebuyers earning at or below 80 percent of the Area Median Income (AMI) for households purchasing or constructing homes in Colorado, Kansas, Nebraska and Oklahoma. The HSP is provided to households as a forgivable grant with a five-year retention period.

2019 HSP details:

- HSP round opens March 4, 2019.
- Funds made available: a minimum of $4.5 million
- Maximum subsidy per household: $5,000

Reservations will be accepted from members on a first-come, first-served basis, subject to member limits, through Nov. 29, 2019, pending availability of funds. Disbursement requests must be submitted by members to FHLBank within 90 days of reservation approval.

STRATEGY #2

2 Develop Special Needs Housing Units

RECOMMENDATION 1

A) Homeless housing

Recommend collaborating with service providers and development partners for special needs housing for the homeless

B) Senior housing

Recommend collaborating with service providers and development partners for senior housing

C) Veterans housing

Recommend collaborating with service providers and development partners for housing for veterans

As CCHA gains experience implementing small rental development programs, it will be in a stronger position to apply lessons learned, build increased capacity and increase available cash flow to access additional housing development funding with a focus on increasing housing opportunities for special needs populations.

Providing housing for the elderly, disabled and homeless is especially difficult. Many elderly households have limited income, often with social security as their sole source of income; those with disabilities face barriers to employment, transportation and support services; people experiencing homelessness can range from families and working homeless to those who are chronically homeless dealing with multiple problems ranging from mental illness to drug dependency. In many cases homeless individuals who qualify for veterans' benefits do not access them. Children who have unstable home lives can present special problems for schools ranging from poor attendance to disciplinary issues.

These special populations place heavy demands on social services ranging from medical needs to counseling. Provision of services in single locations that assist individuals as part of a readily assessable group can lower the cost of these services. In short, when groups of special needs populations are cared for as part of a coordinated program and delivered in single locations, costs can be dramatically reduced.

The City of Commerce City and CCHA could encourage future PUDs in the northern range to broaden the housing base of homes for seniors, low- and middle-income and special needs housing through incentives such as tax breaks, low-interest loans and other sources of funds as detailed in this report.

The Colorado Department of Local Affairs (DOLA) offers the following affordable housing programs for special needs populations:

- Homeless Solutions Program serves people who are experiencing homelessness by providing state funding for housing construction, acquisition and rehabilitation of housing as well as for rental assistance. The program targets those who are more intensely a part of public systems, particularly prisons and mental health institutions.

- Permanent Supportive Housing is a component of the Homeless Solutions Program focused on increasing the production of supportive housing with programatic services that connect tenants to supportive care. Permanent Supportive Housing is defined as decent, safe, affordable community-based housing.
- Tenant Based Rental Assistance is a rental-assistance program that targets at-risk families with children to provide housing stability in their school district of choice. Qualifying programs follow the "Next Step" model, built on partnerships between school districts, service agencies and housing authorities or other housing agencies to provide rental assistance and security deposits for families with children who are unstably housed or homeless. The program also includes self-sufficiency counseling.
- National Housing Trust Fund is a new affordable housing production program capitalized through Fannie Mae and Freddie Mac. It is primarily designed to increase the affordable housing supply and preserve decent, safe and sanitary housing for those households with extremely low incomes (at or below 30 percent of the area median income).

The program gives priority to supportive services for people with disabilities or special needs. Housing developments must set aside at least 25 percent of the total units in the project to qualify for the funding priority.

The program also targets the development of units at 30 percent average median income rents that would not be feasible without trust fund support. DOH began reviewing applications on a rolling basis on June 1, 2017.

A) Homeless housing

Recommend collaborating with service providers and development partners for special needs housing for the homeless

For homeless families in need of emergency shelter in Commerce City, the Catholic Charities Northeast Emergency Assistance Center provides temporary housing. Access Housing also provides temporary housing for up to 90 days to families with children. With eight shelter units, Access Housing services include case management assistance, food, clothing and personal hygiene products. The goal is to help those participating in the program to become self-sufficient in obtaining subsidized or low-income rental housing.

Access Housing also operates two properties that provide 17 long-term housing units with no limit on length of stay. Rockmont has nine two-bedroom units and Holly Garden has eight two-bedroom units. Both have income requirements and are located in the historic city. Other shelters in the area are in Denver and Aurora.

Commerce City would benefit by becoming an active member of the local Homeless Continuum of Care. Established by HUD in 2009, the program is designed to promote community-wide planning and strategic use of resources to address homelessness; improve coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness; improve data collection and performance measurement; and allow each community to tailor its program to the particular strengths and challenges within that community.

Recommended strategy: Homeless development

Timeline

2019

»Complete first homeless development as a pilot following successful completion of a small affordable rental project(s) by CCHA (sometime around 36 to 48 months).

2028

Target areas

→ Historic city
→ Opportunity Zone

2018 Commerce City HNA offers insights on homelessness in Commerce City

As housing prices continue to escalate throughout the region, Commerce City is witnessing growth in the number of individuals and families experiencing homelessness. Homelessness is considered a regional issue. Obtaining precise data on the homeless population is a notoriously difficult task. Data from the Colorado Department of Education (CDE), the Metropolitan Denver Homeless Initiative, as well as public input from homeless service providers, however, all point to a growing homeless population and the need for housing options and supportive services to address the issue.

Over the last three years, the top three reasons given for homelessness in Adams County were 1) Losing a job 2) The high cost of housing, and 3) Family/ relationship breakup.

Some of the increase in the number of homeless persons in Commerce City is because Denver and other communities have displaced some of their homeless populations through stricter enforcement. When Denver did a "sweep" of homeless persons in spring 2017, many of the displaced people moved just over the Denver city line to Commerce City. Homeless camps began appearing in clusters of 10 or more people on city property along the South Platte River near Riverside Cemetery.

The city displaced the camps when flooding threatened the area. While this protected lives, it simply scattered the problem elsewhere. Law enforcement is working with community organizations to connect the homeless with community organizations that offer supportive services.

Working-homeless hidden populations

Homeless service workers note an increasing number of working-homeless families in Commerce City – people with low-paying jobs who don't earn enough to pay rent because housing costs are rising while wages are not.

Also notable is the "hidden population" of undocumented and mixed-documented persons who mostly live in the city's urban core. The 2014 figures by Pew Research estimated 2,085 undocumented residents in Commerce City. This is a population that doesn't qualify for services, has limited job opportunities and struggles in other areas (e.g., language barriers, stress, fear of deportation) and are part of the population vulnerable to homelessness.

Community organizations, the City of Commerce City, Adams County and regional and state efforts offer a myriad of supportive services both to help the homeless, but also to stave off conditions that lead to homelessness through homebuyer help programs, foreclosure assistance, utility assistance, drug and alcohol programs, domestic abuse intervention and prevention, child services, education, job training and placement. Commerce City is making efforts to strengthen the networking among organizations to consolidate effort and better address the issues.

CASE STUDY

Alexandria, VA

Church's crisis becomes a win-win for affordable housing and church

The Housing Department in Alexandria, VA, has worked to identify unused church land (or, in some cases, buildings) that have been donated or leased to build affordable housing. When a local Episcopal church was experiencing financial difficulties and a decline in membership, the church's crisis became the opportunity to save church and to provide much-needed affordable housing to Alexandria.

The Episcopal Church of the Resurrection in Alexandria's West End is in the final stages of a project that involves the demolition of the church building on N. Beauregard to make way for 113 housing units and rebuilding a new smaller church. The residential building will be mostly composed of multifamily units, the rent for which will range from 40 to 60 percent of the area median income.

The Continuum of Care serving Commerce City and the Denver Area is the Metro Denver Homeless Initiative (MDHI). Membership would more actively engage Commerce City to connect to local service providers and efforts to address homelessness. The benefits of membership are explored in more detail in Strategy 4 of this plan.

Target Area: The historic city has the highest concentration of people experiencing homelessness. CCHA could play the role of convening those organizations and service providers whose mission of helping others coincides with CCHA's mission of providing affordable and special needs housing in Commerce City. Partnerships with churches, health providers and community organizations would strengthen CCHA's role and reach. Funding opportunities for housing are enhanced if a project is undertaken in the Opportunity Zone.

CASE STUDY

Charleston, S.C.

Homeless shelter provides on-site health and legal support

The homeless shelter in Charleston, S.C., One80 Place, in addition to providing meals and shelter, operates an on-site health clinic staffed by doctors and nurses from hospitals, a legal team to help clients navigate complicated systems to obtain benefits, settle tenant issues and even get valid identification, assists veterans in obtaining benefits, operates an on-site café that provides a five-week culinary training program and is supplied by food rescued from local restaurants, cafeterias and grocery stores. Through these programs more than provide food and shelter is provided, clients are assisted to transition back to permanent housing.

In meeting the multiple problems that special housing needs populations present, Housing Authorities are an ideal platform for delivery by developing comprehensive programs such as that explained in the Urban Land Institute's "Housing Opportunity and Services Together" (HOST). Even with limited funding, there is a need for creating partnerships who among those who with special housing needs.

The HOST project seeks to demonstrate the type of model needed to serve high-need families living in assisted housing. HOST is designed to improve employment and other outcomes among these high-need residents through individualized, intensive whole-family case management that deeply accesses employment barriers and coordinates service needs for mental health, literacy, education and/or employment training.

B) Senior housing

Recommend collaborating with service providers and development partners for senior housing

Elderly persons make up 8 percent of the population in Commerce City. Though those 65 and older comprise a smaller portion of the city's overall population compared to the Denver Metro Area or the state, this population is growing at a faster rate in Commerce City than that of any other community in the region. From 2000 to 2017, the number of persons aged 65 and older grew by 119 percent. According to American FactFinder U.S. Census Data, in 2000 there were 1,931 seniors compared to 4,229 in 2017.

The issue of senior housing was addressed in the city's 2010 Comprehensive Plan, and the observations are still applicable today: "While Commerce City has a lower proportion of seniors than surrounding communities, its population is aging like the Denver metro area as a whole. Currently, the community has very limited senior housing available. For seniors to be able to stay in the community, new senior housing will be necessary."

While some developments have been built since 2010, the un-met demand for affordable housing for older adults and disabled persons persists. Nearly all are located in the historic area south of E. 96th Avenue of Commerce City, and what units exist are in high demand, often with no vacancies.

Becoming a member of the Adams County HOME Consortium and partnering with other agencies is key to this recommendation. Adams County also is seeking solutions to accommodate the housing and social service needs of its growing number of lower income and senior residents. As recommended elsewhere in this report, the City of Commerce City would benefit by joining the Adams County HOME Investment Partnership Program, which would make the city an eligible jurisdiction for HOME funding.

Transit-oriented developments and targeting locations in the Opportunity Zone would open up more funding options from both public and private sources. CCHA can leverage its past experience with Low Income Housing Tax Credits (LIHTC) projects to facilitate/sponsor a LIHTC project targeted for seniors. Smaller scale senior developments (4-10 units) could be financed with HOME funding and other sources from the state as well as the Federal Home Loan Bank (FHLB), described on page 45.

CASE STUDY

El Cerrito and Richmond, California

Transit-oriented housing for low-income seniors

Eden Housing is currently building two senior apartments near Monteverde in Contra Costa County. One is a 63-unit mixed-use project in the city of El Cerrito, which will include a senior center.

Another project, in the city of Richmond, will provide 79 units for low-income seniors. The project's financing includes money from California's Affordable Housing and Sustainable Communities, which promotes transit-oriented development using proceeds from the state's cap and trade program to reduce greenhouse gas emissions.

CASE STUDY

Lakewood, Colorado

Senior housing that's hip, green and affordable

Cityscape at Belmar: Housing vouchers welcomed!

Cityscape at Belmar is an innovative affordable senior housing community in the nearby Denver suburb of Lakewood, situated on land that was once a shopping mall.

Of the 130 units in the apartment building, 70 percent are affordable and the remainder are market rate.

The modern building design and high livability have won praise, a long waiting list of potential tenants and garnered awards for Metro West Housing Solutions, the non-profit property developer behind the project. (Denver-based Metro West focuses on properties that include affordable and income-restricted housing.)

Cityscape at Belmar is in the walkable urban shopping area of Belmar, with convenient access to restaurants, retail, medical offices, entertainment and public transportation. The solar-powered building offers a community room equipped with a kitchen, private dining and a bistro. It has state-of-the-art fitness centers, a cultural theater and colorful billiards room. Outdoor amenities include community garden beds that are raised for ease of access, a courtyard with kitchen, seating and a fire pit. A mixed-use path runs through the property and around an adjacent pond. Trash and recycling chute on each floor.

The one- and two-bedroom apartments, ranging in size between 659 - 824 square feet, rent for between $506 - $1,700 per month (income limits apply). The apartments have high ceilings and contemporary, open-concept style.

MetroWest purchased the land in 2010, securing building tax credits to do the construction. The project took five years to construct at a cost of $30 million. Within three months of opening, all of the affordable units in the community were occupied with a waiting list of approximately 500. The market rate units were filled within nine months of opening.

The senior housing case studies profile projects that utilized funding sources of relevance to Commerce City. Cityscape in nearby Lakewood, Colorado, is a mixed-income development that made use of tax credits and was highly collaborative. Monteverde shows all the subsidy layering - including HOME funds.

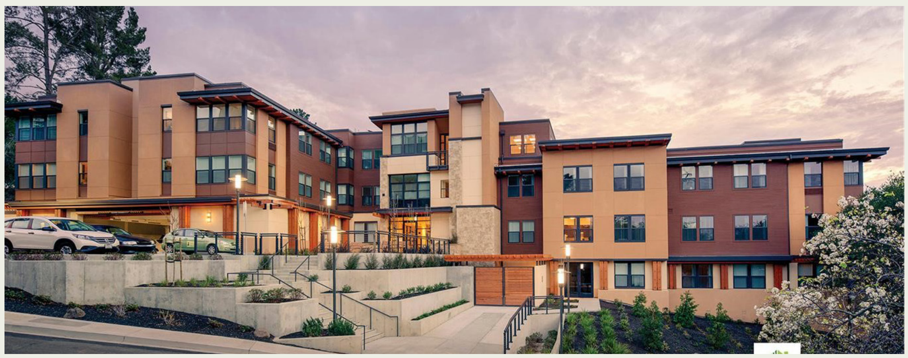
CASE STUDY

Orinda, California

Award-winning Monteverde Senior Apartments houses extremely low-income seniors

Orinda, California, is a small city in the San Francisco Bay Area's Contra Costa County, where residents on fixed incomes have difficulty finding affordable housing. About 40 percent of Orinda's 700 renter households spend at least 30 percent of their income on rent. Monteverde Senior Apartments opened in 2014 targeting very low- and extremely low-income residents aged 62 and older. Demand for the apartments was so great that 1,000 people applied for the development's 66 units.

Within walking distance of the Bay Area Rapid Transit and the services and amenities of downtown Orinda, Monteverde provides on-site supportive services programs, a large community room with full kitchen, a library, salon, exercise room, a library/computer learning center, lounges, laundry facilities, and a large courtyard with a community garden.



How the project was funded

Development costs for Monteverde totaled $23 million. The largest source of funding came from 9 percent low-income housing tax credits, which generated $10.7 million. Other funding came from private loans, the city, HUD and other public agencies. Monteverde provides project-based vouchers for all residents so that they pay no more than 30 percent of their income toward the rent.

Monteverde Senior Apartments financing

Low-income housing tax credit equity	$10,711,000
First mortgage	1,929,000
Second mortgage	3,872,000
HOME Investment Partnerships Program loan	2,040,000
Community Development Block Grant funding	2,050,000
City of Orinda	2,050,000
Other sources	377,000
Total	$23,029,000

The four-story building is on a 1.4-acre site. The building's three wings contain 66 one-bedroom, one-bathroom apartments ranging from 617 to 717 square feet. Seven units are set aside for people earning 30 percent of the area median income (AMI), 14 units are for those earning 40 percent of AMI, and 45 are for those making 50 percent of AMI.

Design elements within the building and in each apartment facilitate independent living and aging in place. Five percent of the apartments comply fully with Americans with Disabilities Act (ADA) standards, and 2 percent comply with ADA standards for residents with sight and hearing impairments. The rest can be modified to be ADA-compliant when needed to enable residents to remain in their apartments.

Monteverde integrates a number of sustainable features including a photovoltaic system and a solar hot water system that provides half the hot water used in the facility.

C) Veterans housing

Recommend collaborating with service providers and development partners for housing for veterans

Department of Veteran's Affairs in combination with the Department of Housing and Urban Development provides support of housing services. HUD-Veterans Administration Supportive Housing (HUD-VASH) combines HUD's Housing Choice Voucher rental assistance for homeless veterans and their families with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community.

The Veteran's Administration determines clinical eligibility for the program. Veterans who have medical, mental health and/or substance use disorders are eligible, but they must be able to perform activities of daily living and live independently in the community with case management and supportive services. CCHA would determine if the veteran meets HUD requirements for housing assistance. Supportive Services for Veteran Families (SSVF) was founded on the principle that every veteran has a right to housing. SSVF is a significant source of funding. Grants go to non-profits and consumer cooperatives to provide supportive services to very-low-income veteran families living in or transitioning to permanent housing. The program complements HUD-VASH.

Grantees provide eligible Veteran families with outreach, case management, and assistance in obtaining VA and other benefits, which may include:

- Health care services
- Daily living services
- Personal financial planning services
- Transportation services
- Fiduciary and payee services
- Legal services
- Child care services
- Housing counseling services

CASE STUDY

Gary, Indiana

Multipurpose Veterans Village built with help from Corporation for Supportive Housing

When the annual homeless count revealed a growing number of homeless veterans in Gary, Indiana, the Broadway Area Community Development Corporation determined to do something about it. It tapped into funding through the Corporation for Supportive Housing, a national leader in bringing supportive housing models to those in need, and built Veterans Village.

The multipurpose 56,000-square-foot, three-story Veterans Village was constructed on a lot that was donated by the city. The 44 one-bedroom units, five of which are accessible under Americans with Disabilities Act standards, are designated for occupancy by veterans at risk of homelessness. Amenities include a dining hall; culinary arts training center; library; rooftop patio; and fitness, computer training, and arts and crafts rooms. A 6,000-square-foot commercial space accommodates the Broadway Area Community Development Corporation, a case manager for the veterans and U.S. Department of Veterans Affairs offices.

CASE STUDY

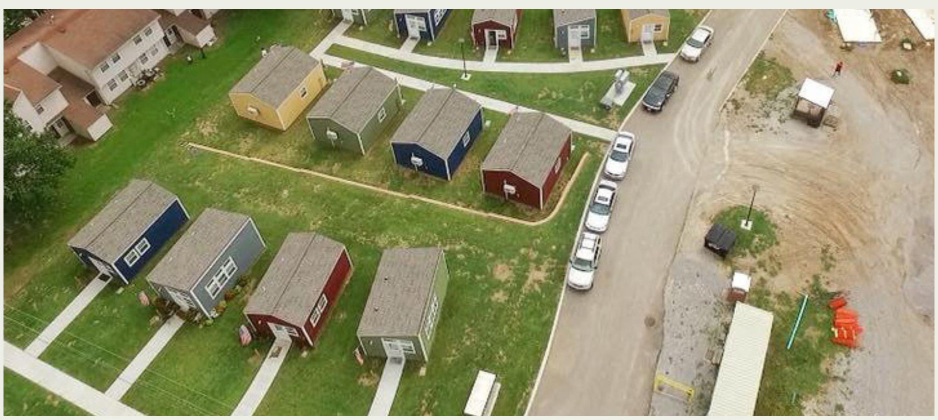
Kansas City, Missouri   Longmont, Colorado   Denver, Colorado

Homeless veterans find free temporary housing in tiny home village

The Veterans Community Project in Kansas City, Missouri, is a compelling example of the power of collaboration to address the problem of homelessness among veterans. Through partnerships, contributions and volunteers, the community has created a village for veterans, providing transitional housing and onsite services that help address the underlying causes of veteran homelessness.

The tiny-home approach provides privacy, a sense of security and housing stability and links residents with mentors, counselors and other programs and services to help them transition to permanent housing.

The homes were built on concrete foundations, making the village's location permanent.

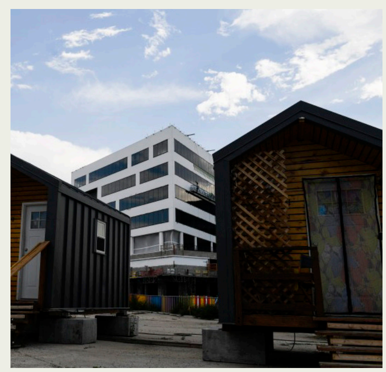


Tiny village in Denver's RiNo neighborhood serves homeless

A similar tiny home village for homeless residents in Denver's RiNo neighborhood is on wheels.

The RiNo village has 11 homes, a bathhouse, two portable toilets and a circular common building bounded by bright chain-link fence. Each house is 8 by 12 feet and was built at a cost of $22,000 a piece.

The project has had its challenges in the first year, including having to move 200 feet to the other side of the lot because of zoning, but is being touted as a viable solution to address homelessness.

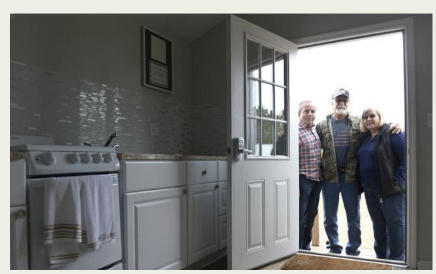


Veterans Village planned for Longmont, Colorado

The community of Longmont, Colorado, is partnering with Missouri-based Veteran's Community Project to undertake construction of a tiny home village for veterans.

The many community stakeholders, collectively known as the Longmont Veterans Housing Coalition, include city and county leaders, Habitat for Humanity, Veterans of Foreign Wars Post 2601, Longmont Foundation and the Boulder County Veterans Service Office, among others. The land was donated by HMS Development, a local business, and a member of the coalition.

The Longmont Community Foundation and other community organizations and individuals are currently raising funds to launch the project, estimated to cost between $2 million and $3 million. The 25 tiny homes are situated on 2 acres with units of roughly 240 square feet for individuals and five larger units of about 310 square feet for veterans with children.



STRATEGY #3

3 Increase Capacity of CCHA

Increase staff capacity

Recommend adding staff to CCHA to grow the number and size of housing programs and projects in Commerce City

CCHA should review the possibility and feasibility of increasing staff capacity by adding staff members, contracted staff, consultants and volunteers. With a small increase in staff capacity, additional programs could be administered by CCHA. Some of the additional programs could generate revenue for the organization that would offset the increased staffing costs.

To access additional funding to expand program offerings, resources are available through:

- Colorado Housing Finance Authority
- Down Payment Assistance Program
- Mortgage Finance Programs
- Department of Veteran's Affairs

With housing a core activity of the U.S. Department of Housing and Urban Development, CCHA is in a position to seek resources to help the most-challenging-to-serve populations in need of affordable housing – the elderly, those with disabilities and people experiencing homelessness.

While not all of the elderly population is housing burdened, those who depend on small pensions or exclusively on social security payments are in need of support. Strategies to pursue government funds should be a priority for CCHA along with initiatives to form partnerships with existing community organizations such as the Salvation Army and area churches.

The pursuit of private support is largely an untapped source for CCHA. Public housing authority boards have strict requirements for their board structure, but there are no restrictions on recruiting volunteers and other in-kind services from organizations, businesses and individuals for grant writing and funding development.

Recommended strategy: Build CCHA capacity

Timeline

2019

» Timeline for implementation: five years

2024

Target areas

→ All of Commerce City

Recommended strategy: Collaborate

Timeline

2019

» Timeline for implementation: five years

2024

Target areas

→ All of Commerce City

→ Collaborate at local, regional, state and national levels both public and private

4

STRATEGY #4

Develop and Expand Partnerships with Other Agencies Involved in Housing and Related Services

Strength through collaboration

Recommend that CCHA actively pursue collaborative relationships with public and private entities

Reading the success stories of other cities in developing and expanding affordable housing programs speaks to the difficulties and complexities encountered on their journeys, be they working with community-minded developers, securing tax breaks, assisting with public funds or putting together groups of nonprofits to magnify their power through partnerships.

CCHA can explore how others have succeeded, cultivate relationships with major stakeholders and create advisory boards to collectively develop a shared interest in the importance of affordable housing for the health and well-being of the entire community.

Building capacity strategically by initiating small housing projects and then expanding the scope and number of projects, CCHA can become an affordable housing leader in Commerce City. It can build collaboration among diverse groups in the community ranging from developers and builders, supportive services, banks and other financial institutions and, especially, health care providers.

Strategies include Commerce City joining existing county and regional efforts that are actively addressing issues of affordable housing and homelessness:

- Active participation in the Adams County HOME Consortium
- Active participation in the homeless Continuum of Care (MDHI)

Adams County HOME Consortium

As previously described, the HOME Investment Partnerships Program (HOME) supports activities that increase and maintain the supply of permanent, affordable housing for low- to moderate-income residents. Funds are used for a variety of activities such as new housing construction, acquisition, housing rehabilitation, and down payment assistance. The HOME Program provides funding for affordable housing projects in partnership with government, nonprofit, and private organizations.

The HOME Investment Partnerships Program (HOME) supports activities that increase and maintain the supply of permanent, affordable housing for low- to moderate-income residents. Any project or program funded with HOME funds must meet specific eligibility criteria set by HUD (24 CFR part 92), address local priorities and objectives as outlined in the 2015-2019 Consolidated Plan, and meet a national objective of the program. The national objectives of the HOME program are to:

- Increase the supply of decent, affordable housing to low- and very low-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private sector participation.

CDFI Fund targets mixed-use projects

The Corporation for Supportive Housing (CSH), an established leader in the supportive housing movement (see article on page 38), uses New Markets Tax Credit (NMTC) allocations to support the innovative financing of mixed-use projects that include supportive housing or non-residential projects like community health facilities that are either co-located with supportive housing or in the community, providing critical services to both our target populations and residents of supportive housing.

NMTC permits individual and corporate taxpayers to receive a credit against federal income taxes for making equity investments in vehicles known as Community Development Entities, which must apply to the U.S. Treasury Department's CDFI Fund to compete for this allocation authority.

CSH also partnered in the innovative Healthy Futures Fund, a debt-equity financing that creates affordable housing with Low Income Housing Tax Credits and supports community health centers with NMTC. CSH has received four NMTC allocations totaling $180 million to finance health centers and social service facilities that serve homeless and high-health need clients and supportive housing residents.

"We can leverage even more resources to drive projects leading to new jobs and economic development in some of the most economically distressed neighborhoods in our country," said CSH President and CEO Deborah De Santis. "Not only are we be able to spur economic revival in places where it's needed most, the NMTC allocations help fulfill our goals of expanding housing and healthcare services to hundreds who are struggling to improve their lives."

Applicants seeking HOME funding must be qualified community housing development organizations, public housing agencies, for profit developers and/or nonprofit organizations. Adams County is the leader of a HOME Consortium and is responsible for allocating HOME funds to member communities. (See Strategy 1 of this plan for more context regarding this initiative, including timeline and target areas.)

Metro Denver Homeless Initiative

The vast majority of homeless programs are funded by federal grants administered by the U.S. Department of Housing and Urban Development (HUD), according to Igor Popov of the Center for Poverty Research at the University of California, Davis. These grants are distributed regionally to units called "Continuums of Care" (CoC).

The CoC serving Commerce City and the Denver Area is the Metro Denver Homeless Initiative (MDHI). The City of Commerce City and the Commerce City Housing Authority should join the MDHI and become active members.

MDHI, formed in 1994, serves the seven-county Denver metropolitan area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties). It brings together 70 organizations, including homeless service and housing providers, local and state governmental agencies, foundations, mental health centers, neighborhood groups, and people with lived experience of homelessness to develop a Continuum of Care. It identifies needs and disseminates best practices on what works to end homelessness.

MDHI is charged with coordinating homeless service providers throughout the Denver Metro Area, including establishing a Coordinated Entry System for standardized in-take protocol. MDHI is also responsible for managing the CoC's Homeless Management and Information System (HMIS) that allows service providers to provide up-to-date information regarding the homeless population in the area and share that information using standardized measures.

The CoC conducts the annual Point in Time count, a required annual census of the homeless population in the area. Finally, the CoC is responsible for preparing the Collaborative Application, on behalf of its member organization, for Continuum of Care funding provided annually by HUD.

CoC funding provides a variety of housing solutions for individuals and families experiencing homelessness. These include permanent supportive housing, transitional housing, rapid re-housing services and shelter for victims of domestic violence. The City of Commerce City and the Commerce City Housing Authority should join the CoC and become active members. While this may not directly provide funding for homeless services in Commerce City, it will allow staff to stay connected with area service providers and up-to-date on the CoC's funding priorities and strategies for addressing homelessness in the Denver Metro Area.

The city should also consider providing additional CDBG resources as part of its annual Action Plan for area homeless service providers. CDBG funds can be used for homeless shelter development and operations, temporary housing assistance, domestic violence shelters, as well as temporary assistance with rent and utilities to prevent homelessness.

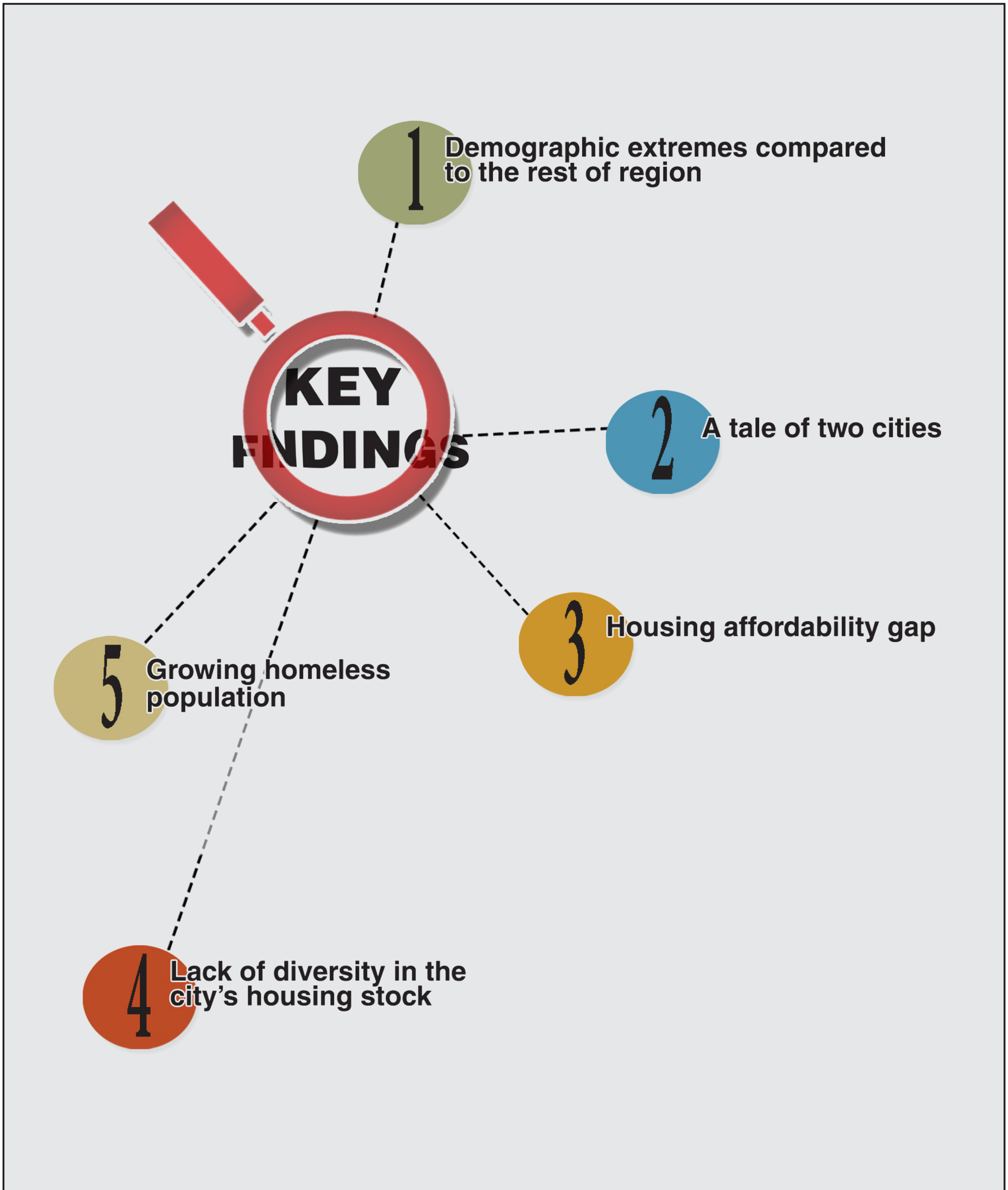
Exhibit A

Commerce City Housing Needs Assessment

Key findings and conclusions

This exhibit is excerpted from the report of
Commerce City Housing Needs Assessment undertaken in 2017/18.

INFOGRAPHIC: Key findings and conclusions



Graphic: Civitas, LLC.

KEY FINDINGS

1

Demographic extremes compared to the rest of region
Commerce City shows demographic extremes compared to every other community in the Denver Metro Area in five key areas: 1) highest percentage increase in population, 2) highest percentage rise in senior population, 3) highest percentage of single-family detached dwellings, 4) youngest population, 5) highest percentage of Hispanics.

2

A tale of two cities
Across almost every meaningful data point there are significant differences in Commerce City between the historic historic city to the south and the new residential and commercial expansion to the north.

3

Housing affordability gap
In 2007, median sales price of a home in Commerce City was affordable based on median household income at that time. By 2015, home prices more than doubled while income rose only 29 percent. More than one third of households are cost burdened, meaning they spend more than 30 percent of their income on housing. For renters, the imbalance is even higher at 44 percent.

4

Lack of diversity in the city's housing stock
Single-family detached units makeup 76 percent of the city's housing stock, with 86 percent in north Commerce City. Renters make up nearly one-third of households, and most live in the southern historic city. There are few affordable rentals and little by way of high-density, appropriate housing for seniors or those with special needs. Waiting lists for the Housing Choice Vouchers have been closed since 2014.

5

Growing homeless population
As housing prices continue to escalate throughout the region, Commerce City is witnessing a growth in number of individuals and families experiencing homelessness.

Key findings and conclusions

The Housing Needs Assessment casts a wide net. It looks at Commerce City from numerous angles and across multiple intersecting data points in order to identify trends and to provide a comprehensive picture of the community's housing needs. It also looks at how those trends and needs have changed over time. There are 0five key findings that standout:

1. Compared to other communities in the region, Commerce City's demographic makeup shows extremes.
2. In the city itself, Commerce City is a tale of two cities with demographics and conditions of the historic city markedly different than the northern range.
3. Housing prices have outpaced increases in income, resulting in a housing affordability gap for homeowners and renters in Commerce City.
4. An abundance of single-family homes and a severe lack of multifamily housing and housing for seniors and those with disabilities means Commerce City is not meeting the community's housing needs.
5. With the rise in housing costs and income levels flatlining, the numbers of homeless persons in Commerce City and the region have increased.

Commerce City's commitment to healthy, family-friendly neighborhoods is manifest in its on-going efforts to improve the quality of life for all its residents. In south Commerce City that has meant a $10 million renovation of the 30-year-old Eagle Pointe Recreation Center, pending infrastructure improvements in Irondale, the development of bike and walking paths along the banks of the South Platte River and throughout the community, the addition of parks and greenspace, the influx of social service organizations dedicated to helping residents improve access to health care, education, job training and affordable, quality housing. It has meant revisiting old plat maps and zoning to allow for adaptive reuse of buildings in disrepair. It has meant rethinking neighborhoods that are disconnected because of the matrix of roads and rail lines. It has meant development of programs and efforts to adapt and repair homes that are aging. It focuses on getting those who grow up there to want to stay and raise their families there.

In the north area of Commerce City, most everything is new and has been built up with the full benefit of planned unit development and application of the city's comprehensive planning efforts. Neighborhoods are being built with carefully thought-out elements designed to give residents easy access to schools, healthcare, recreation, parks, businesses and entertainment with roads that allow traffic to move smoothly. The planned communities are built around practices of renewability and sustainability.

The issues facing the newly developed annexed areas are matters of affordability and a lack of diverse housing stock. Indeed, today, Commerce City as a whole has a higher percentage of single-family detached homes in its housing stock than any other community in the region, according to the Denver Metro Association of Realtors. But that number is even higher in the north area.

There are few rental options in the north area and even fewer that are affordable. The first affordable development serving that area is opening in 2018/19. High-density housing and housing that accommodates the needs of the elderly and disabled are likewise rare. As housing costs have risen, those in the workforce who serve the community are being closed out because they can't afford to live where they work. Many of these are the people who provide critical community services including teachers, police officers, fire fighters, waiters, health care workers and the many others who make a community tick but who earn modest incomes.

The key findings are examined in detail in the pages that follow.

Demographic extremes compared to region

1

Most extreme population growth

While Colorado, the Denver Metropolitan Region (DMA) and Adams County are all experiencing growth in population, with Adams County's growth outpacing the DMA, Commerce City has been in a league of its own. Since 2000, the population in Commerce City has grown by 155 percent. By contrast, the countywide and statewide growth rates for the same period were 37 and 30 percent, respectively.

Commerce City's aggressive annexation over the last 20 years combined with the rigorous development and building that followed explains the rapid growth. Notably, Commerce City's high population growth has occurred almost entirely in the northern range (north of East 96th Avenue), where the annexation has occurred. Since 2000, the population there has increased 1,362 percent compared to 14 percent in historic Commerce City to the south.

The Denver Regional Council of Governments (DRCOG) projects that by the year 2040 Commerce City's population will reach 86,258 persons, almost double what it was in 2010. Useful to note that population estimates for 2016 (54,869 persons) have already surpassed DRCOG projections for 2020 (52,999 persons). Population growth would show an increase of 93.3 percent from 2010 to 2040 if DRCOG projections hold. Commerce City is projected to continue growing faster than the region.

Greatest rise in senior population

Elderly persons make up 8 percent of the population in Commerce City. Though those 65 and older comprise a smaller portion of the city's overall population compared to the Denver Metro Area or the state, this population is growing at a faster rate in Commerce City than that of any other community in the region. From 2000 to 2017, the number of persons aged 65 and older grew by 119 percent.

According to American FactFinder U.S. Census Data, in 2000, there were 1,931 seniors compared to 4,229 in 2017.

Youngest median age

Commerce City's aggressive annexation over the last 20 years and the rigorous development and building that followed have attracted young, first-time homeowners, resulting in more rapid growth in younger population groups when compared to the surrounding communities and state as a whole. The median age in Commerce City was estimated to be 31.7 in 2017, according to Esri estimates. Comparatively, estimated median age in Colorado was 37.2 and the national median age was 38.2

Highest percentage of single-family dwellings

Commerce City has a larger percentage of single-family homes than any other community in the region. In 2016, 88 percent were single-family; this is an increase of 6 percent from 2000, when 82 percent of the homes were single-family. HUD's definition of a multi-family

Percentage increase in population 2000-2017

Commerce City

Increase in percentage of elderly 2000-2017

Commerce City

Median age

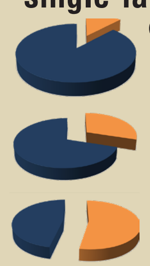
Commerce City 31.7 years

Adams County 33.7 years

Denver (city) 34.7 years

2017 Esri

Percentage of single-family homes



Commerce City 88%

Adams County 72%

Denver (city) 60%

2016 ACS

Percentage Hispanic

Commerce City 47%

Adams County 38%

Denver (city) 33%

2017 Esri

INFOGRAPHIC 10: 2017 housing at a glance

New city (northern range)	Old city (historic city)
↑ Higher population growth 1,361%	↓ Lower population growth 14%
↑ Higher household income • Median household income $90,804 • Per capita income $33,130 • Median net worth $216,547	↓ Lower household income • Median household income $42,707 • Per capita income $16,821 • Median net worth $27,732
↓ Lower unemployment 1.4 percent	↑ Higher unemployment 4.9 percent
↑ Higher educational attainment 31%	↓ Lower educational attainment 6%
↓ Smaller Hispanic population 30%	↑ Larger Hispanic population 70%
↑ Higher percentage of single-family detached homes 86%	↓ Lower percentage of single-family detached homes 64%

Graphic: Civitas, LLC.

unit is "a structure with more than four housing units." Thus, a single-family structure may have one to four housing units.

One-unit detached homes make up 76 percent of the homes in Commerce City. Between 2000 and 2016, southern Tracts saw single-digit growth in single-family homes, while the center Tracts saw a reduction in single-family homes. Those in the north saw substantial growth of 30 percent or more in the percentage of single-family homes.

Highest percentage of Hispanics

The city's sizeable Hispanic population comprises almost half the population at 47 percent, compared to 22 percent at the state level. In the south area of Commerce City, the concentration of Hispanics is even higher at 70 percent, showing 3 percent growth since 2010.

These numbers are likely higher given that the "hidden population" in Commerce City includes an estimated 2,085 additional residents who are undocumented. (These figures are based on 2014 population estimates showing an additional 3.8 percent of statewide residents as undocumented, according to a Pew research study.) Utilizing the person per household average, an additional 662 homes were needed to house these residents within the city. This puts additional pressure on low income families seeking decent affordable housing.

A tale of two cities

2

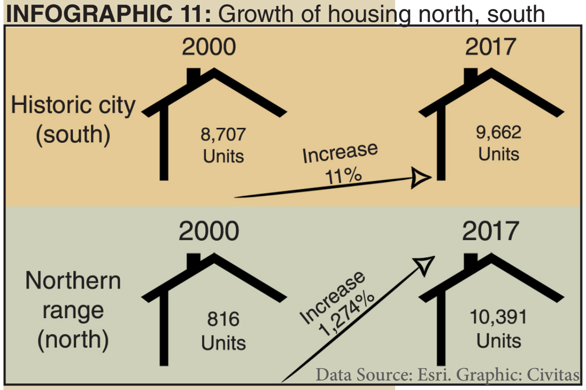
Significant disparities exist between north and south Commerce City economically, demographically and in terms of housing. The housing issues of the city's industrial core, where homes and infrastructure are older and deteriorating in places, are markedly different from the north where the vast majority of housing and infrastructure is less than 20 years old.

Most of Commerce City's growth has occurred in the neighborhoods north of East 96th Avenue, the newer of the two distinct areas that make up the community.

Neighborhoods in the historic section of Commerce City developed to serve the industrial core, housing the blue-collar labor force that worked at the refineries and factories. Homes there are more modest structures and many don't meet current housing codes. Property values are lower, and those who live there have lower incomes, less education, and higher rates of poverty and unemployment.

The population in the south part of the city, though more diverse (diversity index score of 80) than in the northern area, is largely of Hispanic descent. This area has experienced commercial and industrial growth in recent years but little population growth. The number of housing units – both rental and

INFOGRAPHIC 11: Growth of housing north, south



From 2000-2017, the number of housing units in the historic city increased 11 percent. In northern range, the number increased 1,274 percent.

owner occupied – increased 11 percent since 2000, while the population increased 14 percent.

The numbers in north Commerce City for the same period tell a very different story. In 2000, before development of the annexed areas took off, there were only 816 housing units. By 2017, the number of housing units had grown to 10,391 – a dramatic increase of 1,274 percent to accommodate a population that grew by 1,361 percent. The new construction and family-oriented neighborhoods have attracted young, first-time homeowners with higher incomes, education and employment. The racial profile is less diverse (diversity index score of 67), with whites making up 76 percent of the population.

In 2017, per capita income in north Commerce City was $33,130 compared to south Commerce City where the per capita income was only half that at $16,821. The 82 percent of residents in the north own the home they live in, compared to 46 percent in south. Seven percent of persons 25 years and older in the north do not have a high school diploma, compared to 36 percent in the south. These disparities repeat themselves across multiple indicators, making Commerce City's housing issues all the more challenging.

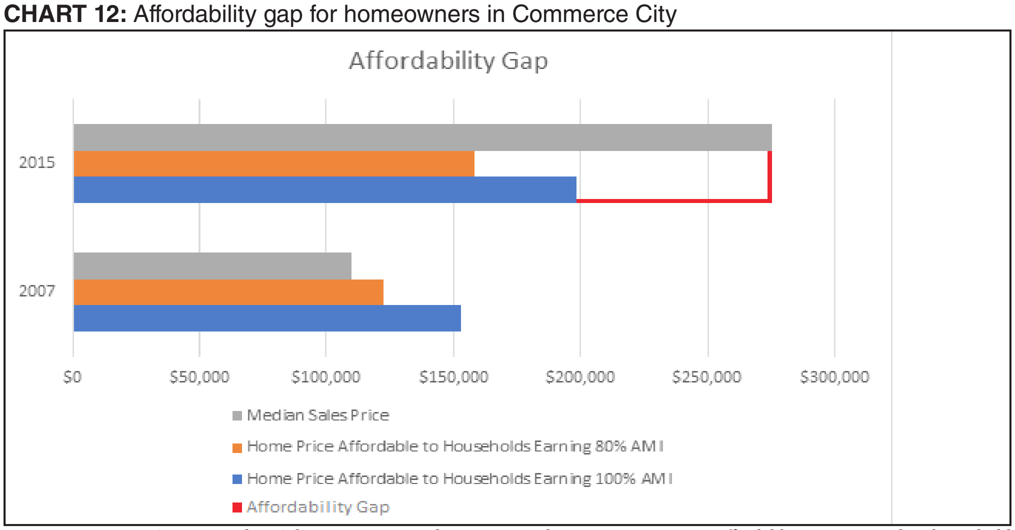
Housing affordability gap

3

A housing affordability gap exists throughout Commerce City, both north and south, for homebuyers as well as renters. Nearly one-third of (5,000+) households in Commerce City pay more than 30 percent of their income on housing costs, a standard measure of housing cost burden that points to a lack of affordable housing. Since housing cost burden is based on household income, it applies across different price points, unit types and sizes.

As housing costs have risen, those in the workforce who provide vital community services are being closed out because they can't afford to live where they work. Many of these are the people

CHART 12: Affordability gap for homeowners in Commerce City



Source: Median Sales Price, Boxwood Means via PolicyMap; Home Price Affordable, using 3x median household income from 2011-2015 ACS 5-Year Estimates (which is a common method of estimating affordability).

w h o

INFOGRAPHIC 12: Demographic comparisons north, south

Commerce City

- Total number of housing units in Commerce City = 17,273
  - This number (which includes vacant units) compares with a total of 9,523 in 2000 – a growth of 81 percent in 17 years, a period that includes the downturn associated with the Great Recession when prices declined dramatically
- Percent of owner-occupied homes = 66 percent (11,400 units)
- Percent of renter-occupied homes = 31 percent (5,355 units)
- Vacancy rate for the city was 2.5 percent
  - Five percent is considered "healthy"
  - The lower the rate, the higher demand
- Median value of a housing unit = $258,673
  - This compares to a median value of $112,600 in 2000 (a 148 percent increase)
  - The average value was $278,060, an indication that the market trend is toward higher-value homes
  - As housing prices have risen, housing affordability is an increasing problem
  - The largest home value cohort is in the $300,000 to $399,000 bracket at 21 percent
- Median household income = $71,442

INFOGRAPHIC 13: Missing middle housing

Source: Opticos Design, Inc.

Missing middle is a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.

Senior housing options mostly in south Commerce City

Though affordable senior housing units have been added to the city's housing stock since 2010, the supply is not meeting the demand. Below is a description of the existing stock.

- Conter Estates I and II, 6600 E. 60th Place, a 114-unit affordable senior community for persons 55 and older, was developed in partnership with the CCHA. Both were built in part with financing obtained through the Low-Income Housing Tax Credit (LIHTC) program. In addition to providing apartments for low-income households, this property includes some market rate units. Thus, rents charged vary based on a renter's income.
- Kearney Plaza Apartments, 6140 E. 60th Ave., 96 units, is income-based rent. No units were available as this report was being prepared.
- Madonna Plaza, 6275 Kearney St., is a 50-unit apartment building owned and operated by the Archdiocesan Housing, providing affordable, service-enriched housing.

provide critical community services including teachers, police officers, fire fighters, health care workers and the many others who make a community tick but who earn modest incomes.

Homebuyers

When 2007 household income and home prices are compared, Commerce City had no affordability gap. That year the median sales price of a home in Commerce City was $109,872. Households earning 80 percent of the median household income could afford a home listed at or below the median sales price. That meant a household earning 100 percent of the median household income could afford a home valued at more than $150,000

But by 2015 the situation had changed dramatically. Housing price increases far outpaced household income growth, leading to a significant affordability gap. From 2007 when homes in Commerce City were affordable to 2015 when they were not, the median sales price for a home more than doubled, while household income grew only 29 percent. Households earning 100 percent median household income could no longer afford a median priced home in Commerce City.

Renters

While a majority of residents are homeowners, nearly one-third are renters and most live in the historic city where housing is more affordable and rental properties more prevalent. The cost-adjusted rent paid by low-income households has risen, even as their income have fallen.

The cost burdens are more pronounced when looked at by area and when factoring in increases in market rental rates. In the south part of Commerce City, medium household income in 2017 was $42,707, according to Esri estimates. Individual income was $16,821. With increases in rental rates this suggests that renters in south Commerce City are even more cost burdened than they were based on the 2016 five-year American Community Survey (ACS) data. The median household income in the city was $67,787 per year or $5,649 per month. The median gross rent at that time was $1,066. That meant that in Commerce City a household making less than $3,553 per month was considered cost burdened renting an apartment at or above the median rent.

Based on that data, 44 percent of renters were cost burdened, spending 30 percent or more of their income on housing. Households are considered "extremely cost burdened" if they pay more than 50 percent of their income on housing. The actual median market rent is likely to be higher than $1,066 a month, but the U.S. Census Bureau's ACS is the trusted source for housing cost burden data so its figures are used here.

4 Lack of diversity in the city's housing stock

Commerce City surpasses every city in the region, Adams County and the state as a whole in its percentage of single-family detached units. In Commerce City overall, single-family detached units comprise 76 percent of the city's housing stock. In the northern range, the area north of East 96th Avenue, these units make up 86 percent of the stock, compared to 64 percent in the historic city to the south. The preponderance of single-family detached units points to a lack of diversity in housing types, especially "missing middle" units that offer sufficient housing choices to meet a range of needs and lifestyles.

Limited multi-unit urban housing

Diverse housing options are necessary for the stable growth of any community. Traditional detached suburban homes may be attractive to traditional families, but may hinder attracting younger, new workers to the region or retaining retirees when they downsize. Walkable, higher density, multiple purpose developments are occurring nationwide, reflecting the different needs and lifestyles of a changing population – renters and homeowners willing to give up square footage for easy access to public transport, services and amenities. Smaller households, for example, tend to dine out more, which amps up the local economy.

Only 12 percent of the housing stock in Commerce City is multifamily – this is less than half that of Adams County at 23 percent and the state as a whole at 24 percent. A housing stock heavily weighted toward single-family homes leaves a gap in the range of housing types, living arrangements, amenities and supportive services.

Limited supportive service housing for seniors, disabled

Supportive housing options are particularly important amongst seniors and others with special needs, e.g., persons with disabilities. In Commerce City, the lack of supportive housing

TABLE 35: Total households paying more than 30 percent of income for housing

	Owner-occupied housing				Renter-occupied housing			
	Total households		Paying more than 30		Total households		Paying more than 30	
	Number	Percentage	Percent	Percentage	Number	Percentage	Number	Percentage
Less than $20,000	634	6.0%	442	69.7%	969	21.3%	794	81.9%
$20,000-$34,999	702	6.7%	427	60.8%	712	15.6%	462	64.9%
$35,000-$49,999	1,213	11.5%	614	50.6%	843	18.5%	513	60.9%
$50,000-$74,999	2,374	22.5%	1,097	46.2%	840	18.4%	223	26.5%
$75,000 or more	5,606	53.2%	413	7.4%	1,074	23.6%	149	13.9%
Zero or negative Income or No Cash Rent	15	0.14%	--	--	119	2.6%	--	--
Total	10,544	--	--	4,557	--	--		

Data source: 2012-2016 American Community Survey 5-Year Estimates (B25106)

is apparent. The city's 2010 Comprehensive Plan, observed, "While Commerce City has a lower proportion of seniors than surrounding communities, its population is aging like the Denver metro area as a whole. Currently, the community has very limited senior housing available. For seniors to be able to stay in the community, new senior housing will be necessary."

While some developments have been built since 2010, the un-met demand for affordable housing for older adults and disabled persons persists. Nearly all are located in south Commerce City and what units exist are in high demand, often with no vacancies.

Limited low-income housing

From 1999 to 2009, five low-income apartment communities containing 490 rental apartments were constructed and offered to low income persons through the Low-Income

Housing Tax Credit Program. From 2010 to 2016, the number of multifamily building permits was extremely low. In 2010, only 19 multifamily building permits were issued. From 2011 to 2014, zero multifamily building permits were issued. In 2015 and 2016, 36 multifamily permits were issued.

There are a total of 17,273 housing units in Commerce City. Of those, 783 are low-income apartments and 262 are rent-assisted apartments. Currently, there are 10 low income housing apartment complexes in Commerce City, often referred to as "HUD apartments," including 243 Project-Based Section 8 subsidized apartments in the city. The remaining low-income apartments do not have rental assistance but are still considered affordable housing for low income families.

Affordable housing program eligibility is determined by income. Each household's income is compared to the incomes of all other households in the area. This is accomplished by calculating the Area Median Income (AMI) and is published each year by HUD. Often, HUD uses an area larger than a city to determine AMI because those searches make extend beyond political boundaries. For Commerce City, AMI is calculated from all households in Adams County where HUD calculates the AMI for a family of four as $83,900.

5 Growing homeless population

As housing prices continue to escalate throughout the region, Commerce City is witnessing a growth in the number of individuals and families experiencing homelessness. Homelessness is considered a regional issue. Obtaining precise data on the homeless population is a notoriously difficult task. But data from the Colorado Department of Education (CDE) and the Metropolitan Denver Homeless Initiative, as well as public input from homeless service providers all point to a growing homeless population and the need for housing options and supportive services to address the issue.

Over the last three years, the top three reasons given for homelessness in Adams County were 1) Losing a job 2) The high cost of housing, and 3) Family/relationship breakup.

Some of the increase in the number of homeless persons in Commerce City is because Denver and other communities have displaced some of their homeless populations through stricter enforcement. When Denver did a "sweep" of homeless persons in spring 2017, many of the displaced people moved just over the Denver city line to Commerce City. Homeless camps began appearing in clusters of 10 or more people on city property along the South Platte River near Riverside Cemetery. The city displaced the camps when flooding threatened the area. While this protected lives, it simply scattered the problem elsewhere. Law enforcement is working with community organizations to connect the homeless with community organizations that offer supportive services.

Working-homeless hidden populations

Homeless service workers note an increasing number of working-homeless families in Commerce City – people with low-paying jobs who don't earn enough to pay rent because housing costs are rising while wages are not.

Also notable is the "hidden population" of undocumented and mixed-documented persons who mostly live in the historic city. The 2014 figures by Pew Research estimated 2,085 undocumented residents in Commerce City. This is a population that doesn't qualify for services, has limited job opportunities and struggles in other areas (e.g., language barriers, stress, fear of deportation) and is part of the population vulnerable to homelessness.

Community organizations, the city of Commerce City, Adams County and regional and state efforts offer a myriad of supportive services both to help the homeless, but also to stave off conditions that lead to homelessness through homebuyer help programs, foreclosure assistance, utility assistance, drug and alcohol programs, domestic abuse intervention and prevention, child services, education, job training and placement. Commerce City is making efforts to strengthen the networking among organizations to consolidate effort and better address the issues.

Homeless service workers note an increasing number of working-homeless families in Commerce City.