



Legislation Text

File #: Pres 21-251, **Version:** 1

Joining the Adams County HOME Investment Partnerships Program Consortium

Summary and Background Information:

As an Entitlement Community, local governments may form a “consortium” to directly receive HUD HOME funds for affordable housing. Forming a consortium enables local governments that would not otherwise qualify for direct HOME funding to receive a direct allocation of funds. This results in regional and collaborative approaches to meet area affordable housing needs. Eligible activities include affordable housing development (for ownership and rental), homeowner rehabilitation, homebuyer assistance activities, rental housing rehabilitation, and tenant-based rental assistance. Other non-housing activities are not eligible for HOME funds, such as commercial development and supportive services.

By definition, a HOME Consortium is a collaboration of local government entities-with its own bureaucratic structure, elected leadership, and legal requirements. Adams County’s Community & Economic Development division is the lead entity of the HOME Investment Partnerships Program Consortium and will administer the program. The lead entity assumes full responsibility for compliance with HOME regulations and other applicable Federal requirements. All of the HOME Consortium’s 10% administrative funds will go to the lead entity. The Consortium operates for a three-year IGA period in which its members cannot drop out. The existing members are Adams County, the City of Thornton, and the City of Westminster.

To carry out HOME activities and meet all HOME requirements, the consortium assesses affordable housing needs, develops a plan, makes funding decisions, performs complex housing activities, self-monitors their progress, accounts for expenditures, and reports to HUD.

For each project, the HOME Program requires a 25% matching contribution from non-Federal sources such as private developers, local, and nonprofit sources. The match can be in cash or non-cash form but it must be a permanent contribution to affordable housing. Matching funds may come from tax credits, bond financing, public or private agencies, state agencies, charitable organizations, lending institutions, corporate donors, and others.

Eligible expenditures include hard and soft costs for new construction, rehabilitation, reconstruction, or conversion; site improvements; acquisition of land or property; demolition; relocation; refinancing; capitalization of project reserves; direct housing payments for tenants; and direct assistance to homebuyers. The resulting project must provide affordable housing opportunities for low-to-moderate-income residents.

HOME Consortium Entry Timeline

By June 30th of each renewal year, the consortium must submit to HUD the intergovernmental agreement signed by all participating members of the consortium.

The consortium agreement is a legally binding cooperation agreement. It establishes the consortium's three-year qualification period, commits each member to participate, and describes member jurisdictions' roles and responsibilities-particularly those of the lead entity.

The consortium determines where it will invest HOME funds and what happens to assets and program income resulting from HOME investments. These funding strategies are determined in the development and adoption of the Adams County Consolidated Plan.

Why Join the HOME Consortium?

1. Produces an impactful method to meet the increasing affordable housing needs.
2. Provides substantial means to attract affordable housing developers to build in the city.
3. Generally, governments join a consortium to directly access annual HOME funds (approximately \$150,000 for the city) to support housing activities and programs. Without directly receiving the HOME funds from HUD, the city can only receive HOME assistance from the State.
4. Forming a consortium enables neighboring governments to work together to develop collaborative approaches to local and regional housing needs. Joining together improves cooperation between local governments, fosters regional planning, and increases the opportunities for local affordable housing developments.
5. Historically, Adams County has combined its HOME funds into a partner jurisdiction's local project.
6. Since the lead entity is responsible for preparing all future Consolidated Plans, the City will only need to prepare an abbreviated Consolidated Plan which would save a minimum of \$30,000 every five years.

Past projects include:

- Crossing Pointe North Apartments - 4220 E. 104th Avenue, Thornton; 62 affordable housing units for seniors - <https://www.apartments.com/crossing-pointe-62-living-thornton-co/grw66wz/>
- Alto Apartments - 3045 W. 71st Avenue, Westminster; 70 affordable housing units - https://www.livealtoapts.com/?utm_source=GMB&utm_medium=organic
- Baker School Apartments - 3555 W. 64th Avenue, Adams County; 150 affordable housing units - <https://bakerschoolapartments.com/>

Staff will make a visual presentation. The purpose of the presentation is to:

1. Review the HOME program's basics
2. Review the city's possible role in the Adams County's Home Consortium
3. Answer any questions

Staff Responsible (Department Head): Jason Rogers, Community Development Director

Staff Member Presenting: Cheryl Steinberg, CDBG Coordinator

External Staff Presenting: Melissa Sheere - Adams County Community Development Manager

Financial Impact:

1. An annual increase in federal funding - approx. \$150,000
2. Decrease in Consolidated Plan costs every five years
3. Incorporates Adams County's HOME funds into future affordable housing projects within the city

Funding Source: U.S Department of Housing and Urban Development

Staff Recommendation: Staff recommends joining the Adams County HOME Consortium.