

Adams
County
Housing
Authority

2009

Proposed targeted geography and uses of Neighborhood Stabilization
Program 2 funds.

Neighborhood
Stabilization
Program 2
Proposal

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OVERVIEW

The Adams County Housing Authority (ACHA) intends to apply to the United States Department of Housing and Urban Development for Neighborhood Stabilization Program 2 (NSP 2) Funding. ACHA serves county residents for whom conventional housing is unaffordable. We assist individuals, families, seniors and persons with disabilities throughout all of Adams County, including the rural and unincorporated areas. Our goal is to provide these households with quality, affordable housing options while supporting their efforts to achieve economic self-sufficiency. It is the mission of ACHA to work in partnership with diverse communities, to promote economic self-sufficiency, to preserve and expand affordable housing opportunities, and to enhance the livability of neighborhoods in Adams County. Our vision is to be the acknowledged leader in quality affordable housing development for Adams County. ACHA has significant experience targeting low and moderate income households. Our multifamily portfolio includes over 1,300 units of which 20% have rents set at or below 30% of the area median income (while only 17% of the units have mandates at this income threshold. Sixty-five percent (65%) of our units have rents set at or below 50% of the area median income (although 83% have deed restrictions that allow them to be set at rents at or above 60% of the area median income).

The Housing Authority intends to use all funding awarded from our proposal to stabilize neighborhoods whose viability has been and continues to be damaged by the economic effects of properties that have been foreclosed upon and abandoned.

TARGETED GEOGRAPHY

The Housing Authority's services area is all of Adams County which encompasses approximately 1,240 square miles. It is adjacent to Denver and is one of the five counties that make up the Denver metropolitan area. The County, which traditionally has been agricultural in nature, has undergone significant development similar to counties in close proximity to a major metropolitan city. The eastern sections, with the exception of Bennett and Strasburg, are primarily made up of farms, rangeland and wide-open spaces. Cities within the geographic county include Arvada, Aurora, Bennett, Brighton, Commerce City, Federal Heights, Northglenn, Strasburg, Thornton and Westminster. Adams County has a diverse mix of large, suburban communities, smaller towns, and even smaller rural farming communities. These communities offer a varied selection high and low end single family housing, mobile home parks, and mixed price range rental housing.

Among homeowners, who represent 70% of the households in Adams County, 40,814 or 40% are precariously housed. The picture is more dismal among renters where 22,003 or 51% of households are

precariously housed. Because such a large portion of their budget is allocated to housing costs, these households have very little flexibility to absorb change. For this reason, the Housing Authority surveyed the area for an apartment community that, once rehabilitated, would provide quality affordable housing options for over 100 families as well serve as a junction to connect the resident to amenities such as grocery stores, retail outlets, educational institutions and metro transportation systems.

ACHA identified an apartment community that met this criterion, known as Terrace Gardens Apartments, and purchased the property in 2008. The community is an existing 180 unit apartment complex, constructed in 1974 and located at 7100 Hooker Street, Westminster, Colorado. The neighborhood has a population of 26,192 with 30% of this population earning less than \$ 35,000.00 per year. The following monthly rental rate schedule is in place: 550 square feet one bedroom \$ 525; 700 square feet one bedroom \$ 615; 900 square feet two bedroom \$ 740.

The property is located in the South Westminster Revitalization Area west of Federal Boulevard and south of Highway 36, within two blocks of a future light rail station. The site is immediately adjacent to RTD bus lines: local routes # 31 and # 72 as well as regional routes #80, running along 80th Avenue and routes #82/108 which run along Highway 36. Terrace Gardens is within ½ mile of services and shopping, including national retailers such as Safeway, Walgreens, Starbuck's and Radio Shack as well as local retailers and banks. Two elementary schools, a public library and recreation center are all within ½ mile of the site. Major employment centers, such as the Westminster Plaza Shopping Center and Westminster Mall are within three miles of the property and accessible by existing mass transportation options and is two blocks from a future light rail station planned as part of the FasTracks Northwest Corridor rail line. According to the U.S. Census Bureau, the property is located in census tract 94.06 with over 40% of residents paying in excess of 30% of their income for rent. According to the Adams County Public Trustee, there were 907 foreclosures in Westminster in 2008. Rehabilitation of this community into a place people will want to call home will have a stabilizing impact in the immediate and surrounding area transforming a property currently in disrepair into a desirable development offering a highly satisfying living experience.

PROPOSED USES

Terrace Gardens has suffered from ineffective management over the past several years. Periods of low occupancy resulted from building code violations, cannibalization of appliances from one unit for another and a general lack of enthusiasm to market the property. The high vacancy rate led to increased criminal activity and devaluation of the neighborhood.

The Housing Authority plans to infuse new management standards and proven marketing efforts, which will help stabilize the property to a higher occupancy rate while keeping rents affordable and reconnecting this neighborhood with the economy, housing market and social networks of the community as well as the metropolitan area as a whole.

Physical redevelopment, sound structured management, regular maintenance and periodic capital improvements provided by ACHA while integrating the use of NSP 2 funding will ensure the longest feasible continued affordability. We have and will continue our solid relationship with the city of Westminster, U.S. Department of Housing and Urban Development, RTD, Adams County, neighborhood groups and local businesses for the coordination of our planning activities along with maximizing all available resources. The Housing Authority’s plan is to demolish existing structures (due to the overwhelming amount of distress currently exhibited at the property) and build quality replacement affordable housing that will contain energy efficient lighting, appliances, windows, exterior doors, as well as climate control systems that conserve energy. The rents will be set in accordance with the definition of affordable rents per FR-5321-N-01 and to accomplish our goal of continued affordability at Terrace Gardens Apartments.

HOUSING AUTHORITY CAPACITY

The Housing Authority has a solid yet flexible infrastructure in place to efficiently and effectively adapt to changes in regulations, rules and laws as well as the market place and the needs of our clientele, the residents of Adams County. ACHA staff has extensive knowledge and experience, as can be seen in the following table that shows the total years of experience shared among the 9 full-time staff members who will be carrying out the redevelopment and management activities outlined in this proposal in tandem with procured private contractors and vendors.

Name	Title	Role	Experience
Donald May	Executive Director	Overall Project Management	23 years
Christopher Shaffner	Chief Operations Officer	Management and Implementation of activities	9 years
Steven Jacobs	Executive Vice President	Management and implementation of activities	20 years
Lori Strange	Director of Planning & Resource Development	Project Planning	16 years
Michael Belieu	Controller	Financial Management	17 years
Jan Brandt	Procurement & Contracts Manager	Compliance	20 years
Laura Lucero	Program Management Analyst (Davis-Bacon Officer)	Compliance	20 years
Terri Doan	Operations Performance Analyst	Compliance	18 years
Jennifer Petty	Grants Manager	Compliance	24 years
Total			167 years

We were officially organized on November 20, 1974 and have been a HUD approved counseling agency since 1978. Our level of commitment has consistently been demonstrated by adhering to the highest standards of program administration as evidenced by citation free audits from federal, state and local governmental entities. The federal government has reviewed many aspects of the Housing authority, including the financial management system, and determined our systems as compliance for the management of funds as well as bestowing a “high performer” classification. Further financial reviews included a perfect score from the U.S. Department of Housing and Urban Development (HUD) for the administration of the Section 8 Housing Choice Voucher Program (over \$ 10,000,000 annual budget) and the Housing Counseling Program, the Colorado Division of Housing for the Emergency Shelter Grant program, and the Colorado Housing and Finance Authority for the administration of Low Income Housing Tax Credits.

ACHA is cognizant of and supports fiscal accountability, local citizen participation and information, and targeting to reconnect neighborhoods. The Housing Authority utilizes several information management systems for the administration of its grants, including eleven different federal databases and one agency wide database for seamless integration of information and effective management.

The Yardi Voyager online system is used for management of grant funds for projects, program administration, contract and construction management and budget authority allocations. Budgetary, Summary and Trends Analysis reports assist Program and Project Managers to monitor the usage of funds and measure the staff/contractor performance to ensure management and programmatic goals are being achieved. Yardi Voyager is a real-time system, so at any point in time the reports reflect actual numbers. The data contained in the Yardi Voyager system is easily uploaded to HUD through PIC and REAC as well as other modules and the system also has the capacity to easily download data from these modules for accuracy comparison. Multiple years’ data may be compared side by side for trends analysis. ACHA has the ability to create additional modules in our data base system for new programs or projects, generate customized management reports and integrate with the Accounting module for transparency and accountability.

Relevant experience is as follows:

Acquisition and Redevelopment – ACHA has extensive experience with property acquisition, having directly acquired or been part of a partnership for the acquisition of more than 20 properties with nearly 2,500 units, and having performed signification redevelopment on several properties including activities such as demolition, resident services, new construction and rehabilitation of existing units.

Financing – ACHA has utilized a variety of financing tools and can layer and leverage financing to maximize a project’s potential impact. We also have long-standing partnerships with various financial organizations including Community Development Financial Institutions (CDFI).

Property Management – ACHA currently owns and operates a portfolio of 12 multifamily properties with nearly 1,300 affordable units and is in partnerships with private and public sectors for an additional 1,200 units.

Affirmatively Further Fair Housing – ACHA annually trains and certifies all of its employees on the laws and regulations pertaining to Fair Housing, with the most recent training being held in December 2008. All of our programs and properties currently meet or exceed the standards established in the various laws pertaining to Fair Housing.

Local – ACHA is a local agency with a thirty-five year history in Adams County and a solid reputation for providing affordable housing options. The Housing Authority is familiar with the needs and variations within the County and can ensure the funding remains local.

Accounting – ACHA’s accounting policies and procedures are in accordance with GAAP, Full Accrual Post GASP 34, OMB Circulars A-87, A-21, A-122, A-133 and regulations under 24 CFR Part 84.

Procurement – Procurement activities evolved to utilizing an online system for streamlined management of the process, effectively tracking contracts, and successful close out of projects. ACHA uses the E-Procurement system available through the National Association for Housing and Redevelopment Officials (NAHRO), which allow us to implement a procurement process in compliance with all relevant regulations. ACHA’s streamlined process enables the broadest penetration of potential vendors and contractor for solicitation of goods and services. Housing Counseling – ACHA has trained and certified Housing Counselors that provide counseling on tenant/landlord responsibilities, pre-rental, post-occupancy, credit, money management, debt management, and displacement and relocation. Since 1978 the Housing Counseling Department has received citation free audits from HUD.

Compliance – ACHA’s efforts, since the inception of the department in 2007, produced internal pre-audit reviews and training which resulted in a 70% reduction in potential findings received, obtained several citation-free audits performed by external reviewers and established a Grant Management and Compliance system for interdepartmental use. Diligent oversight of federal grant funds resulted in a “bonus” award of \$ 8,700. Development of governing documents for compliance included a Standard Practice Development Guide for creation/modification of documents, a system for the assembly and storage and an electronic construction for easy access. In 32 years of experience managing grant monies, the Housing Authority has never had to surrender a grant or been penalized for mismanagement of funds, service agreements or non-compliance. Currently and historically, ACHA has managed multiple grants concurrently and applied our code of ethics, professionalism and integrity equally to all while ensuring that all activities identified in the scope of services were achieved in a timely manner. Various levels of government, foundations and our independent auditor have returned citation-free audits for over ten years. The Housing Authority has a reputation for sound judgment, prudent business practices and a devotion to the community we serve.

ACHA has pertinent experience to our proposed activities for the Neighborhood Stabilization Program 2 through the Creekside Place Apartments project. The complex was previously Los Caballeros Apartments, a project based Section 8 property on the brink of foreclosure. Throughout the community it was known as a troubled, neglected property that was experiencing numerous incidences of crime with a vacancy rate of 40%. The challenges we faced were 1) overcoming community sentiment that the complex needed to be torn down, 2) achieving a shared vision among the many stakeholders involved,

each with varied interests, 3) developing plans and a scope of work acceptable to all stakeholders, while still being financially feasible, 4) the inability of HUD to temporarily relocate assisted families during construction, and 5) performing substantial rehabilitation work on units while occupied. The project was completed and the following successful outcomes were achieved:

- Purchased a 144-unit property, renovated complex and constructed additional 64 units
- 208 units of quality, affordable rental housing created/retained in the City of Thornton (1, 2 and 3 bedroom homes)
- Helped community sustain housing stock priced to meet the needs of individuals and families at or below 50% of AMI
- Removed a blight in the community
- Helped foster new developments in the surrounding area
- Converted a crime-ridden eyesore into an attractive, quality apartment community
- Received Best Practices Award from HUD, Award of Excellence from NAHRO
- Local Government Innovations Award from DRCOG, and media coverage in many local and national publications

Further evidence of our experience and flexibility is through the Westminster Square Apartments project. As a Project Based Section 8 townhome community in a stressed state, the Housing Authority acquired the property, provided Uniform Relocation Assistance Counseling, issued Section 8 preservation vouchers and assisted tenants with finding replacement housing. Through a joint-venture partnership, ACHA completed a substantial rehabilitation, created a Homeowner’s Association and sold all 144 units, most of which went to first-time home buyers. Our success here demonstrates our ability to pull multiple resources together to accomplish our goal.

The Housing Authority is currently the only sub-recipient of the Neighborhood Stabilization Program 1 (NSP) funding that is allocated for Adams County as well as the State of Colorado’s Adams County allocated NSP funding for Adams County. We have an established Work Plan, Project and Management Structure, Roles, and a Tracking and Compliance system in place. The project and related activities for this proposal will utilize these existing methods and incorporate the special facets of NSP 2 for consistent and secure administration of the redevelopment of Terrace Gardens Apartments.

LEVERAGING OF RESOURCES

The complete redevelopment costs and resources for Terrace Gardens Apartments project:

Total Project Cost \$ 40,000,000

Resources

NSP 2 request \$ 10,000,000

Bonds/Financing \$ 25,000,000

TIF/LIHCT \$ 5,000,000

Total Resources \$ 40,000,000

The Housing Authority has been able to leverage \$ 3.00 for every dollar of NSP2 funding, or 75% ratio.

The entire neighborhood in which Terrace Gardens is located is included in the Westminster Enterprise Zone and is an established Tax Increment Finance revitalization area, an additional opportunity to leverage a resource.

ENERGY EFFICIENCY IMPROVEMENTS

All of the systems, including windows and exterior doors, are original to the construction of the building in 1974 and are energy gluttons. Energy efficient products and systems targeted for the redevelopment of this community are:

Appliances	HVAC operations
Water system turn-offs	Compact fluorescent lighting
Paving materials and landscaping	Energy Star roofing shingles
Cementitious siding	Porous pavers
Low-flow plumbing products	Hot water heaters
Integrated Pest Management protocols	

All throughout the redevelopment of Terrace Gardens any materials that are deemed salvageable, including wood products, bricks, hardware, and metal, will be collected and delivered to a facility to be recycled. ACHA supports and practices conservation efforts beyond energy efficiency.

As part of the Housing Authority's management standards, Green Operations and Maintenance Practices have been adopted. A manual is in the process of being drafted, to be completed by the conclusion of the physical redevelopment, which includes:

- A Proactive and Preventative maintenance plan
- Operations and maintenance guidance for
 - All appliances
 - HVAC operation
 - Water-system turnoffs
 - Lighting equipment
 - Paving materials and landscaping
 - Other systems that are part of each individual dwelling unit
 - Occupancy turnover plan that describes in detail the process of educating each resident about proper use and maintenance of all building systems

The manual will be used by on-site Management and Maintenance Staff for smooth operation and continued preservation of the property. Over time, and as technology advances, the above mentioned products and systems will be replaced, as instructed our Maintenance and Capital Improvement Plan, with only modern energy efficient/cost effective products and systems.

NEIGHBORHOOD TRANSFORMATION AND ECONOMIC OPPORTUNITY

NSP 2 funding will permit uninterrupted Phase I redevelopment at Terrace Gardens Apartments. After the purchase of the complex, the Housing Authority purchased two additional lots to its north. One lot was a single family foreclosed home and the other a squalid eight unit bungalow-style motel. The motel has since been demolished. The single family home, after minor rehabilitation, will become a satellite office for the Housing Authority's Family Self Sufficiency operations and functions.

ACHA has made a positive impact and jump-started stabilization of the area. Complete redevelopment of all three lots (the main property containing the rental units, the single family home, and the empty lot that previously supported the motel) will transform the neighborhood back to its original splendor; a community where people can live comfortably and safely in an affordable home.

Our redevelopment project is sizeable, yet manageable. This project will provide economic opportunities for:

a) Struggling local businesses by contracting with:

- demolition crews
- general laborers
- architects
- engineers
- construction crews
- site foreman
- framers
- carpenters
- tile workers
- masons
- electricians
- landscapers
- HVAC technicians
- Weatherization crews

b) Local and national retailers for building supplies, energy efficient appliances/exterior doors/windows/lighting/insulation and machinery rental

c) Community residents by connecting them to nearby employment and educational opportunities, mass public transition, education

OBJECTIVES AND RESULTS

The primary objective of ACHA's Neighborhood Stabilization Program 2 project, known as Terrace Gardens Apartments, is to redevelop the property into a viable urban community through:

- Provision of decent, safe and sanitary quality housing
- Provision of a suitable living environment
- Provision of and connection to economic opportunities for low and moderate income individuals and families
- Create a "Best Practice" to demonstrate that energy efficient systems and products can be integrated into redeveloped properties and that they are not cost-prohibitive to a project's budget
- A more rational use of land and other natural resources
- Increase median market values of real estate in targeted neighborhoods

CONCLUSION

The Housing Authority feels there is significant neighborhood instability in the Federal View subdivision located in the city of Westminster, County of Adams, State of Colorado, and we want to be a part of the solution to this problem. ACHA will bring significant experience and organizational capacity to the project as well as providing an exceptional opportunity to mitigate the impact of foreclosures in the Federal View subdivision and surrounding area and create stability in a neighborhood that has been hit hard by the current crisis.

ACHA has a thirty-five year history of providing a wide range of affordable housing options to the residents of Adams County. We have extensive experience with property acquisition, having directly acquired or been part of a partnership for the acquisition and/or development of more than 20 properties totaling approximately 2,500 units. The Housing Authority owns and solely operates nearly 1,300 units of affordable housing and is in partnerships with the private and public sectors for an additional 1,200 units. We have continued to be designated by HUD as a high-performing agency in the administration of housing developments and programs. The project for this proposal is "shovel ready" and systems are in place so that immediately upon an award of funding, work activities will commence.

