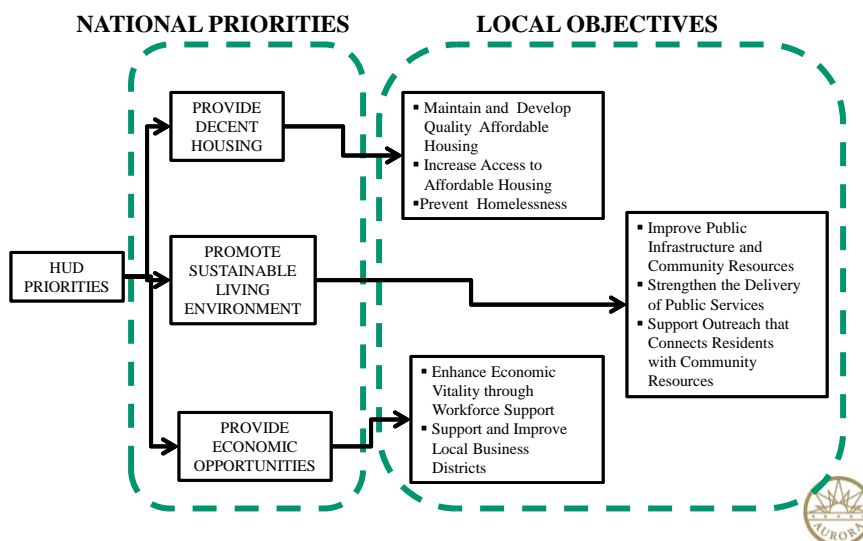


CITY OF AURORA

Community Development Division and Neighborhood Stabilization Program (NSP)

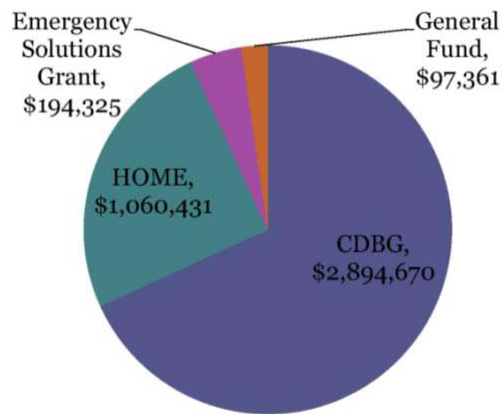


City of Aurora Community Development



City of Aurora Community Development

2013 Projected Funding Levels



How Can the Funds be Used?

- CDBG funding can be used for
 - Community-based projects
 - Housing rehabilitation
 - Infrastructure
 - Public facility improvements
 - Commercial renovation and streetscape programs
- HOME funding is used for housing projects
 - Acquisition, Rehabilitation, New construction
- ESG Funding must be used for homeless programs
- All programs must benefit low- and mod-income households or neighborhoods.
 - Mod income is 80% of median or \$63,440 for a family of four



ALLEYWAY PAVING PROGRAM

- Systematically addressing unpaved public alleyways throughout northwest Aurora, to:
 - Address maintenance and drainage issues
 - Invest in neighborhoods
 - Improve public facilities
 - Eliminate blighting effects
 - Improve public safety



STREET LIGHTING PROGRAM

- Ongoing program leveraging Xcel street lighting allowances to:
 - Improve public safety
 - Reduce blighting conditions
 - Address negative social factors
 - Improve public facilities/assets
- Proposed 2013 funding for up to 20 new street lights



**NEIGHBORHOOD SUPPORT DIVISION
TEAM 1 – CODE ENFORCEMENT**

- Enforcement of over 100 different ordinances
- Team 1 conducted 30,000 inspections
- Abated (cleaned-up) 418 properties in 2011
- Systematic inspection of 34,000 rental units



**ORIGINAL AURORA RENEWAL COMMUNITY
OUTREACH AND PUBLIC SERVICE**

Salary Support of OAR's Community Development Outreach Specialist to support:

- Street & Alleyway Lighting Project
- Resident/Business Outreach & Engagement
- Information & Referral Services
- Tool Lending Program
- Community Gardens
- Fall Fest & Joy Drive
- Volunteer Program



EMERGENCY REPAIR GRANT PROGRAM

- Targeted grants of up to \$7,000 that typically can include:
 - Burst water line
 - Hot water heater
 - Failed sewer line
 - Furnace
- Income-qualified residents eligible city-wide
- Typical demand for 20-40 projects per year



LEAD BASED PAINT PROGRAM

- Multiple grants available for:
 - Private Contractor Risk Assessments for HOAP loan clients buying pre-1978 properties
 - Lead Based Paint laboratory sample testing
 - Lead Hazard Stabilization by Lead Safe Contractors for HOAP loan clients when property sellers refuse to mitigate the lead hazard
 - Lead Clearance testing after the hazard is mitigated



HANDICAP ACCESSIBILITY GRANT PROGRAM

- Targeted grants of up to \$9,999 that typically can include:
 - Wheel Chair Ramp
 - Accessible bathrooms
 - Automated Stairway lifts
 - Widening of doorways
- Income-qualified residents eligible city-wide
- Typical demand for 8-10 projects per year



VOUCHER PROGRAM ***"Aurora Warms the Night"***

- Motel vouchers for the homeless on nights of severe weather
- 2011 service levels:
 - Total cold-weather bed-nights: 2,698
 - Men – 1,634
 - Women – 712
 - Children – 352



COMMERCIAL RENOVATION GRANT PROGRAM

- Loans/Grants of up to \$200,000 to include:
 - Storefront/Façade Improvements
 - Lighting, Signage
 - Landscaping, Parking
- 50/50 grant-to-loan
- Typically 2-4 projects/year



COLFAX AVENUE RE-VISIONING PROJECT RESERVE

- Colfax Corridor community planning, re-visioning and public engagement process is underway
- Outcomes expected to include specific recommendations for targeted investment in the corridor



CDBG UNPROGRAMMED PROJECT RESERVE

- A healthy reserve balance allows the program to take advantage of emerging opportunities and to address urgent, unforeseen needs



HOME PROGRAM

- HOME Program specifically designed to meet the needs of housing, including:
 - Acquisition
 - Rehabilitation
 - New Construction
 - Tenant-based Rental Assistance



HOME – HOME OWNERSHIP ASSISTANCE PROGRAM (“HOAP”) COUNSELING PROGRAM

- Pre-purchase counseling
- Foreclosure prevention counseling
- Reverse mortgage counseling
- Landlord/Tenant counseling
- Home-buyer seminars
- 1st-time homebuyer assistance
- Community referrals



HOME – RESIDENTIAL REHABILITATION PROGRAM

- 0% interest or deferred loans
subject to income guidelines for
residential rehab to address:
 - Health/safety
 - Code issues
 - Energy efficiency



HOME - COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (“CHDOs”)

- HOME Program required 15% set-aside for non-profit housing projects
- CHDOs must meet specific criteria to be certified and eligible for funds. They currently include:
 - Aurora Housing Corporation
 - Habitat for Humanity



NSP - Background

- Originally created in July, 2008 under the Housing and Economic Recovery Act.
- Stabilizes neighborhoods and communities that have been impacted by foreclosed, vacant and abandoned residential properties.
- Funded by special allocation of supplemental CDBG funds either directly to City or passed through State of Colorado.



NSP-ELIGIBLE ACTIVITIES

- **Purchase and rehabilitate residential properties that have been abandoned or foreclosed** to sell, rent or redevelop;
- **Establish financing mechanisms for purchase and redevelopment of foreclosed residential properties**, including soft-seconds, loan loss reserves, and shared-equity loans for low, moderate and middle Income homebuyers;
- **Demolish blighted residential structures** that have been abandoned or foreclosed;
- **Establish land banks** for future redevelopment (10-year max); and
- **Redevelop** demolished properties when beneficial to community.



ELIGIBLE PROPERTIES:

- **Abandoned Residential Properties** – No mortgage or tax foreclosure started and no mortgage or tax payment made for 90 days, and was vacant for 90 days;
- **Foreclosed Residential Properties** – The mortgage or tax foreclosure is complete.



NSP Awards

- NSP I \$4.4 million
- NSP via State of Colorado \$2.5 million
- NSP III \$2.4 million



NSP – KEY COMPONENTS

- City must identify and give priority emphasis and consideration to areas of greatest need within the city.
- Result was the targeting of areas in Northwest Aurora



PROGRAM SPECIFIC REQUIREMENTS

- NSP funds must be committed no later than the third program year of the project;
- Recycled funds on hand after 5 years must be returned to the Treasury;
- Homebuyers must receive 8 hours of HUD-approved homeownership counseling.



PROGRAM SPECIFIC REQUIREMENTS

- All of the funds must be used to serve families whose income does not exceed **120 percent of the area median income**; and
- **25%** of the funds must be used to serve families whose income does not exceed **50 percent of area median income**.



Income Limits (2012) Area Median Incomes (AMI)

No. In Family	<u>50% AMI</u>	<u>100% AMI</u>	<u>120% AMI</u>
1	\$ 27,800	\$ 55,550	\$ 66,700
2	\$ 31,750	\$ 63,450	\$ 76,200
3	\$ 35,700	\$ 71,400	\$ 85,700
4	\$ 39,650	\$ 79,300	\$ 95,200
5	\$ 42,850	\$ 85,650	\$ 102,800
6	\$ 46,000	\$ 92,000	\$ 110,500
7	\$ 49,200	\$ 98,350	\$ 118,050
8	\$ 52,350	\$ 104,700	\$ 125,700



PROGRAM SPECIFIC REQUIREMENTS

- Encouraged by HUD:
 - Consistent rehabilitation standards;
 - Green building,
 - Energy efficiency; and
 - Neighborhood beautification (landscaping and curb appeal).
- Homes are purchased and sold at a discount and must maintain long-term affordability.



Discount and Long-Term Affordability Example

Purchase/Rehab

\$ 50,000 Acquisition
\$100,000 Rehab Costs
 \$150,000 Total Cost

Sale After Rehab

\$150,000 Sale Price (Market Value)
 \$130,000 1st Mortgage
 \$ 20,000 2nd Mortgage*

*2nd Mtg: \$20,000 Deferred loan @ 0% Interest, due on sale;
 \$ 8,000 (40%) Forgiven after 5 years or due on sale.

1. Guarantees long-term affordability but reduces opportunities to “buy and flip”.
2. Full loan due and payable if sold prior to 5, 10 or 15 year occupancy, depending on size of second mortgage;
3. Purchase price cannot exceed cost of acquisition plus rehab or the appraised value, whichever is less.



Accomplishments through September 31, 2012

- Homes Purchased: 42
- Homes Rehabilitated: 39
- Homes Sold to NSP Buyers: 37
- Homes Under Contract for Sale: 1
- Homes Under Construction: 4
- Multi-Family Units Purchased: 24
 - Rehabilitation Pending: 1
- Habitat for Humanity Projects 7
- Demolished/Cleared Properties 3



City of Aurora Community Development Division

- Questions and Discussion

