

**Grantee: Adams County, CO**

**Grant: B-11-UN-08-0001**

## July 1, 2020 thru September 30, 2020 Performance Report

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<b>Grant Number:</b> B-11-UN-08-0001	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> Adams County, CO	<b>Contract End Date:</b>	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$1,997,322.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> Richard Reed
<b>LOCCS Authorized Amount:</b> \$1,997,322.00	<b>Estimated PI/RL Funds:</b> \$2,326,903.60	
<b>Total Budget:</b> \$4,324,225.60		

### Disasters:

#### Declaration Number

NSP

### Narratives

#### Summary of Distribution and Uses of NSP Funds:

Adams County, Colorado is located in the Denver metropolitan area. The county's current population of nearly 500,000 residents is spread out over 1,182 square miles with the majority of the population concentrated on the western third of the county. The county contains a diverse mix of land uses varying from older first-ring cities and new green-field suburbs to expanses of open rangeland. All or portions of nine municipalities are found in Adams County. The City and County of Denver is contiguous to our southern border.

Roughly 100,000 residents live in unincorporated Adams County with the majority of the population living in the cities of Northglenn, Thornton, Westminster, Brighton, Commerce City, Aurora, Arvada and Federal Heights. The towns of Bennett, Strasburg and Watkins are located in the eastern plains and are predominately agricultural, but rapidly urbanizing communities. All communities with the exception of Commerce City, Thornton, Westminster, Arvada and Aurora (which are their own entitlement communities) participate in the Urban County partnership jurisdiction.

The poverty in Adams County is around 13%. Populations with low-incomes and living in poverty are concentrated in a number of locations throughout the county. These locations are largely found in the southwestern portion of the county including Aurora, Commerce City, the older communities of unincorporated Adams County, and portions of the older neighborhoods of Thornton, Federal Heights, Northglenn and Brighton.

Due to the dramatic levels of foreclosures in Adams County during the Great Recession (2007-2012), Adams County Community Development (ACCD) and other partner agencies such as the Adams County Housing Authority (now known as Unison Housing Partners), city representatives from Northglenn, Thornton, Brighton, Commerce City, various non-profits and the County Public Trustee formed a foreclosure task force towards the end of 2007. The task force began mapping foreclosures, identifying effective strategies and coordinating the marketing of foreclosure prevention workshops implemented by the housing authority.

In recent years, the housing market has improved, resulting in a dramatic decline in the number of foreclosures in Adams County. The current real estate market conditions and NSP eligibility requirements have made it difficult to acquire and rehabilitate single-family homes as the county has done in the past with its NSP funds. Therefore, the county is pursuing new means of developing affordable housing through the acquisition and redevelopment of demolished or vacant properties, as per NSP's Eligible Use E. The need for affordable housing has been identified in the 2017 Adams County Housing Needs Assessment, citing the increasing disparity between incomes housing costs, known as the "affordability gap" ([http://www.adcogov.org/sites/default/files/Adams\\_County\\_Housing\\_Needs\\_Assessment\\_11-8%20edit.pdf](http://www.adcogov.org/sites/default/files/Adams_County_Housing_Needs_Assessment_11-8%20edit.pdf)).

While the original 2008 NSP1 Action Plan included the following information (using HUD data) to identify the initial priority areas, the market has changed substantially in the County a decade later; however, these were the original identified areas of greatest needs:

See the attached PDF for full Distribution and Uses of NSP Funds.

#### How Fund Use Addresses Market Conditions:

Adams County has historically programmed NSP3 funding (2011-present) toward the acquisition and rehabilitation of single-family housing. Since 2017, the ability to acquire, rehabilitate, and resell properties in Adams County has become increasingly difficult. Adams County is therefore shifting its funding to assist in land acquisition for the creation of affordable multi-family housing.

Adams County's primary goal in utilizing NSP funds is to increase housing options in local communities, targeting the national objective of households at or below 50% of the area median income (AMI). As the single-family housing market grows in Adams County, homeownership is not possible for very-low-income households. Adams County is reacting to the market shift by turning its attention with NSP activities to the multi-family housing market. By using NSP funds to help develop multi-family housing, Adams County hopes to create more housing opportunities for very-low income families.

Adams County has prioritized the use of the NSP funds by first targeting the acquisition of foreclosed properties in neighborhoods with the highest concentration of subprime mortgage loans and at the highest risk of additional foreclosures,



as confirmed through data provided by HUD and the county's own data on foreclosures. The county will use HUD's NSP3 Mapping Tool (<https://www.hudexchange.info/resource/669/nsp3-mapping-tool/>) to determine the NSP needs score for each target area. NSP projects will be in those neighborhoods that meet the criteria above.

The funds will be used in these primary activities, plus administration:

- As a financing mechanism to ensure affordability (soft seconds, interest buy downs, loan guarantees, and/or a loan loss reserve) primarily for families buying units that have been rehabilitated through this program;
- Acquisition/rehabilitation and resale;
- Acquisition/rehabilitation and resale to those families at or below 50% of AMI;
- Acquisition/redevelopment of units that would cost more to rehabilitate than the purchase price;
- Redevelopment of demolished or vacant properties for new construction of multifamily housing;
- Administration of the program which will not exceed 10% of the NSP grant and 10% of any program income.

See the attached PDF for full How Fund Use Addresses Market Conditions.

**Ensuring Continued Affordability:**

Adams County uses affordability periods set forth in 24 CFR 92.252(a), (c) (e) and (f), and 92.254. NSP-assisted housing must meet the affordability requirements for not less than the applicable period specified as follows, beginning after project completion:

- \$15,000 per unit and under = 5 years
- \$15,001 to \$40,000 = 10 years
- \$40,001 and above = 15 years
- New construction = 20 years

**Definition of Blighted Structure:**

(1) Definition of "blighted structure" in context of state or local law: Adams County and its partnering cities use the State of Colorado's definition of blight as found in the Colorado Revised Statutes 31-25-103.

**Definition of Affordable Rents:**

Rents that are the lesser of the Housing Choice Voucher (Section 8) Fair Market Rents periodically established by the U.S. Department of Housing and Urban Development, or rents which are 30 percent of adjusted income for households up to 120% of Area Median Income, minus tenant paid utilities.

**Housing Rehabilitation/New Construction Standards:**

Any entity receiving funds where housing rehabilitation is proposed will be required to verify that they have adopted written Rehabilitation Standards.

All construction projects assisted with NSP funds must meet local codes, rehabilitation standards, ordinances, and zoning ordinances. Additionally, the following requirements apply to housing receiving NSP3 funding for new construction:

- Buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
- Buildings of mid- or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent.
- Water efficient toilets, showers, and faucets must be installed.
- Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).

**Vicinity Hiring:**

The locations of the funded projects/activities were determined through the course of the selection process described above. The locations for each planned activity are areas of greatest need. Vicinity hiring requirements will be compiled with and detailed in conjunction with the Section 3 provisions of procurement materials for each project.

**Procedures for Preferences for Affordable Rental Dev.:**

Narratives in sections "Summary of Distribution and Uses of NSP Funds" and "How Fund Use Addresses Market Conditions" above detail the procedures for preferences for Adams County's NSP3 funds. All affordable rental development will be reviewed using Adams County's NSP application.

**Grantee Contact Information:**

Community Development Manager  
 4430 S. Adams County Parkway  
 Brighton, CO 80007  
 720-523-6851  
 jgreenland@adcogov.org

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$4,099,892.80
<b>Total Budget</b>	\$0.00	\$4,099,892.80
<b>Total Obligated</b>	\$0.00	\$4,095,425.99
<b>Total Funds Drawdown</b>	\$0.00	\$4,037,953.73
<b>Program Funds Drawdown</b>	\$0.00	\$1,702,704.37
<b>Program Income Drawdown</b>	\$0.00	\$2,335,249.36
<b>Program Income Received</b>	\$0.00	\$2,411,314.84



<b>Total Funds Expended</b>	\$0.00	\$4,074,553.11
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Target</b>	<b>Actual</b>
<b>Overall Benefit Percentage (Projected)</b>		0.00%
<b>Overall Benefit Percentage (Actual)</b>		0.00%
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$299,598.30	\$0.00
<b>Limit on Admin/Planning</b>	\$199,732.20	\$117,259.74
<b>Limit on Admin</b>	\$0.00	\$117,259.74
<b>Most Impacted and Distressed Threshold (Projected)</b>	\$0.00	\$0.00
<b>Progress towards LH25 Requirement</b>	\$1,081,056.40	\$1,089,535.93

## Overall Progress Narrative:

Adams County continues to work with the City of Westminster and Community Resources and Housing Development Corporation on the Harris Park Senior Apartments to be located across the street from the CRHDC's Westminster offices on the northwest corner of 73rd and Lowell. The project will be two stories, 17 units serving 50% to 80% AMI. We are using NSP, HOME, and CDBG funding and have contracted with Studio Completiva as the Owner's Rep.

- Preliminary Development Plan (PDP) is scheduled to go before the Westminster Planning Commission on October 27, 2020. This presentation the next step in the approval process for this project.
- City of Westminster received verbal approval from HUD regarding the environmental cleanup and future use of the property. City is waiting on written approval before soliciting bids for the demolition which is expected to begin in late October.
- HUD continues the Part 50 Environmental Review, which is expected to be completed very soon.

## Project Summary

<b>Project #, Project Title</b>	<b>This Report</b>	<b>To Date</b>	
	<b>Program Funds Drawdown</b>	<b>Project Funds Budgeted</b>	<b>Program Funds Drawdown</b>
NSP2011.001, Acquisition & Rehab	\$0.00	\$4,042,900.00	\$1,649,298.06
NSP2011.002, Admin	\$0.00	\$174,732.00	\$53,406.31



