

**SUBJECT: APPROVAL OF RESOLUTION NO. 13, SERIES 2024 – A
RESOLUTION APPROVING AN INTERGOVERNMENTAL
AGREEMENT WITH THE CITY OF BOULDER FOR SUPPORT
TO ESTABLISH A REGIONAL AFFORDABLE
HOMEOWNERSHIP AND RENTAL COMPLIANCE PROGRAM**

DATE: MARCH 19, 2024

PRESENTED BY: JEFF HIRT, AICP, PLANNING MANAGER

SUMMARY:

Staff recommends approval of an Intergovernmental Agreement (IGA) that establishes the City of Boulder will provide administrative services to the City of Louisville (“City”) for the next two years as part of a regional affordable housing program. The City of Louisville does not have any programs or resources dedicated to such support, yet housing affordability is increasingly one of the region’s most pressing issues. This IGA recognizes the need for regional collaboration and the need for more resources to address this issue in Louisville. The specific support this IGA provides is to ensure any restricted affordable housing unit in Louisville complies with affordability requirements.

BACKGROUND

The City has taken several steps in recent years to address housing affordability. In 2017, the City agreed to a goal of ensuring a minimum of 12% of the housing inventory will be permanently affordable to low, moderate, and middle-income households by 2035. The City subsequently joined the Boulder County Regional Housing Partnership (“BCRHP”) to address regional housing challenges. The BCRHP agreed to establish a centralized compliance program for rental and homeownership services and dedicate the resources needed to address this issue that led to this IGA. In 2021, the City adopted an inclusionary housing ordinance that requires any residential project requiring a Planned Unit Development (PUD) or Final Plat to provide at least 12% of the units as restricted affordable. To date, the City has not approved any projects subject to the inclusionary ordinance.

The administrative support in this IGA is an important part of the implementation of any related programs, policies, or regulations like the inclusionary ordinance. The City of Boulder’s administrative support to the City is set forth in Attachment 2, page 2 (Covenants, Section 3). The City’s responsibilities under this IGA are set forth in Attachment 2, page 2 (Covenants, Section 4) and Exhibit A but are generally to comply with the City of Boulder’s procedures for program administration. The IGA does not change any existing City policies or regulations related to housing affordability.

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FISCAL IMPACT:

Approval of this IGA will not have a fiscal impact on the City at this time. The IGA establishes that the City of Boulder will provide the City with administrative services to support the Regional Affordable Homeownership and Rental Compliance Program for two years. After two years, the IGA specifies that the two cities must agree to any changes to the IGA, including those related to financial support. The City of Boulder is using Boulder County American Rescue Plan Act (ARPA) funds to provide the administrative support.

RECOMMENDATION:

Staff recommends approval of Resolution No. 13, Series 2024 to approve the intergovernmental agreement with the City of Boulder and authorize the Mayor to sign and execute related documents on behalf of the City.

ATTACHMENTS:

1. Resolution No. 13, Series 2024
2. Intergovernmental Agreement Establishing Regional Affordable Homeownership and Rental Compliance Program Services with City of Boulder

STRATEGIC PLAN IMPACT:

☐	 Financial Stewardship & Asset Management	☐	 Reliable Core Services
☒	 Vibrant Economic Climate	☒	 Quality Programs & Amenities
☐	 Engaged Community	☒	 Healthy Workforce
☐	 Supportive Technology	☒	 Collaborative Regional Partner

**RESOLUTION NO. 13
SERIES 2024**

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE
CITY OF BOULDER FOR SUPPORT TO ESTABLISH A REGIONAL AFFORDABLE
HOMEOWNERSHIP AND RENTAL COMPLIANCE PROGRAM**

WHEREAS, the City of Louisville (the "City"), is part of the Boulder County Regional Housing Partnership (BCRHP) that was established to address regional housing affordability challenges; and

WHEREAS, the BCRHP agreed to establish a centralized program for the administration of rental and homeownership services; and

WHEREAS, the City currently does not have any resources dedicated to administering any affordable housing programs; and

WHEREAS, the City of Boulder has agreed to provide support for administering any affordable housing programs for least two years in the City; and

WHEREAS, there has been prepared an intergovernmental agreement (the "IGA") to set forth the City and City of Boulder's respective rights and obligations; and

WHEREAS, by this resolution the City Council desires to approve and authorize the Mayor to execute the IGA.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. The Intergovernmental Agreement, by and between the City of Louisville and the City of Boulder for support to establish a regional affordable homeownership and rental compliance program, is hereby approved in essentially the same form as the copy of such IGA that accompanies this resolution.

Section 2. The Mayor is hereby authorized to execute the IGA on behalf of the City, and the Mayor is hereby further authorized to negotiate and approve such revisions to the IGA as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the IGA are not altered.

PASSED AND ADOPTED this 19th day of March, 2024.

Christopher M. Leh, Mayor

ATTEST:

Meredyth Muth, City Clerk

**Intergovernmental Agreement
Establishing Regional Affordable Homeownership and
Rental Compliance Program Services**

This Intergovernmental Agreement (“IGA”) establishing a regional affordable homeownership and rental compliance program is entered into by and among the City of Louisville, a Colorado home rule city, (“City of Louisville”) and the City of Boulder, a Colorado home rule city, (“City of Boulder”), effective this ____ day of ____ 2024 (the “Effective Date”).

RECITALS

A. The Parties are authorized to enter into this IGA pursuant to C.R.S. § 29-1-203; and

B. Boulder County and areas of Weld County are in a housing crisis resulting in home prices and rents that are unaffordable; and

C. The housing crisis is, in part, a manifestation of racial inequity, following similar national trends on racial disparities for homeownership, rental opportunities, affordability, and adequate housing; and

D. The affordable housing challenge is regional and is shared by each jurisdiction in Boulder County, and a few in Weld County; and

E. Regional cooperation and action are needed to produce equitable solutions to the challenge to produce an adequate amount of affordable housing and distribute it across the area; and

F. Boulder County communities and residents are committed to and have made strong investments in affordable housing; and

G. In 2017, Boulder County communities agreed to a goal of ensuring a minimum of 12% of the housing inventory will be permanently affordable to low, moderate, and middle-income households by 2035; and

H. Boulder County communities created the Boulder County Regional Housing Partnership (“BCRHP”) to address regional housing challenges and through the BCRHP agreed to establish a centralized compliance program for rental and homeownership services and dedicate the resources needed to address the housing needs of the community; and

I. For over two decades, the City of Boulder has operated a Rental and Homeownership Program (“Rental Compliance Program”) that includes administrative and compliance processes. The Rental Compliance Program includes resources to market affordable homes and process applications, verify eligibility of applicants, and provide monitoring and record-keeping. The Rental Compliance Program focuses on training, technical assistance, monitoring, record keeping, and does not act as a property manager; and

J. Through this IGA, the Parties are making a clear commitment to racial equity as a central tenet in this collaborative regional work. Shared regional housing challenges are rooted in historical practices, processes, and policies that have systematically racialized space by limiting access for Black, Indigenous, and People of Color (collectively “BIPOC”) to safe, stable, and affordable housing in the communities in which they choose to live. Interrupting the history of racial segregation is an intended consequence of this collaborative regional work; and

K. While the City of Louisville is individually responsible for centering racial equity in its local affordable housing rental and homeownership programs, the Parties will strive to collectively achieve housing access for BIPOC communities, and foster support and accountability in this process. Collaborative activities may include collecting racialized housing data, leading community engagement activities, including those targeted and co-created with BIPOC communities, and ensuring elected officials, when making policy decisions, are aware of and considering racial equity impacts; and

The interests of the public are best served by the Parties entering into this IGA.

NOW THEREFORE, in consideration of the Recitals, terms, conditions, and covenants included in this IGA, the Parties agree as follows:

COVENANTS

1. **Purpose.** The purpose of this IGA is to create the Regional Affordable Homeownership and Rental Compliance Program (the “Program”) and define the structure of the Program and govern the financial contributions from the Parties in support of this provision of services.
2. **Term.** The term of this IGA shall commence as of the Effective Date. The IGA shall continue for a term of seven years unless a Party elects to terminate this IGA at the end of any calendar year, after giving 180 days’ written notice.
3. **Services Provided by the City of Boulder.**

The City of Boulder will provide the following administrative services (“Services”) while supporting City of Louisville independence and autonomy:

a. **Homeownership Services.** The City of Boulder will provide administrative services to market homes and process applications, verify eligibility of applicants, prepare legal documents to add affordable restrictions to homes, and provide record-keeping;

b. **Rental Services.** The City of Boulder will provide administrative services to the City of Louisville and property management companies within the jurisdiction which include providing training, technical assistance, monitoring, and direction of rental properties to ensure owners/managers are adequately marketing their properties,

processing applications, properly determining eligibility, and provide record-keeping to satisfy HUD requirements;

c. The City of Boulder will provide a main point of contact for each Service: a Regional Compliance Program Manager and a Regional Homeownership Program Manager; and

d. Additional details of the Services provided are described in **Exhibit A**.

4. **Expectations to Receive Services Provided.**

a. The City of Louisville will abide by the current policies and procedures of the Program as established and amended by the City of Boulder, in cooperation with the City of Louisville, as described in **Exhibit A**.

b. The City of Louisville will use the current City of Boulder restricted covenants as template language to ensure consistency of Program administration. The current covenant templates are summarized in **Exhibit B** (Homeownership) and **Exhibit C** (Rental). Using a different covenant may be grounds to terminate the agreement by the City of Boulder. If amendment of the covenant template(s) is required to comply with the City of Louisville's local law, the City of Louisville and the City of Boulder agree to work in good faith to amend the template(s) for that City of Louisville. A Jurisdiction-specific template(s) shall be reviewed and approved by both the City of Boulder and that City of Louisville prior to implementation.

c. The City of Louisville agrees to abide by all applicable existing policies and procedures (as described in **Exhibit A**) related to Program compliance. Advising on future changes to policies and procedures will be the responsibility of the Policy Advisory Committee, as described in Section 4.d. below.

d. The City of Louisville will identify a point of contact to coordinate all activities related to the administration of the Program. In addition, the City of Louisville will appoint one member to provide an advisory role of Program activity in their community and along with members from other jurisdictions accepting similar services from the City of Boulder will be known as the Policy Advisory Committee. This Policy Advisory Committee will meet, at a minimum, twice annually to review data and recommend adjustments to the Program as needed.

5. **Funding.**

a. Boulder County American Rescue Plan Act (ARPA) funds of approximately \$1,259,549 will be utilized by the City of Boulder for years one and two of the Program to pay for staff, database modifications and licenses, and to create a revolving loan fund to be used for foreclosure prevention.

b. Starting in year three, or later if the ARPA funds are not fully expended, the City of Boulder will provide administrative services with financial support from the City of Louisville, expressly subject to Subsection 5.c., below. The Parties will agree to a funding mechanism through an amendment to this IGA (e.g., flat yearly fee, fee based on percentage of homes in the Program, or some combination of the two) to continue Program services. Failure to make the contribution will be grounds to terminate this IGA by the City of Boulder. Contributions will be due annually on December 31.

c. The Parties understand and acknowledge that this IGA is subject to Article X, § 20 of the Colorado Constitution (“TABOR”). The Parties do not intend to violate the terms and requirements of TABOR by the execution of this IGA. It is understood and agreed that this IGA does not create a multiple fiscal year direct or indirect debt or obligation within the meaning of TABOR and notwithstanding anything in this IGA to the contrary, all payment obligations of the Parties are expressly dependent and conditioned upon the continuing availability of funds beyond the term of the Parties’ current fiscal period ending upon the next succeeding December 31. Financial obligations of the Parties payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available in accordance with the rules, regulations, ordinances and resolutions of the Parties and applicable law. Any failure of a Party to annually to appropriate adequate monies to finance the obligations under this IGA will terminate this IGA at such time as such then-existing appropriations are to be depleted. Notice will be given promptly to the other Party of any failure to appropriate such adequate monies.

6. **Liability.** Each Party agrees to be responsible for its own actions and omissions, and those of its officers, agents and employees in the performance or failure to perform work under this IGA. By agreeing to this provision, the Parties do not waive or intend to waive the limitations on liability which are provided to the Parties under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended.
7. **Dispute Resolution.** Prior to terminating this IGA, the Parties will attempt in good faith to resolve any dispute or claim arising out of or in relation to this IGA through negotiations.
8. **No Third-Party Beneficiaries.** The enforcement of the terms and conditions of this IGA and all rights of action relating to such enforcement will be strictly reserved to the Parties, and nothing contained in this IGA will give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the Parties to this IGA that any person receiving services or benefits under this IGA will be deemed an incidental beneficiary only.
9. **Notices.** All notice provided under this IGA must be in writing and sent by First Class U.S. Mail, electronic mail, or hand-delivery to the addresses set forth below. For mailing, notice periods will begin to run on the day after the postmarked date of mailing. For electronic mail or hand delivery, notice periods will begin to run on the date of delivery.

If to the City of Boulder:
Kurt Firnhaber
Director of Housing & Human Services
City of Boulder
P.O. Box 791
Boulder, CO 80302

If to the City of Louisville:
Rob Zuccaro
Community Development Director
City of Louisville
749 Main Street
Louisville, CO 80027

10. **Entire Agreement.** This IGA contains the entire agreement between the Parties. This IGA may be modified or extended only by written agreement signed by the Parties. If any provision of this IGA is deemed to be illegal, invalid, or otherwise unenforceable, such provision will be severed, and the balance of the IGA will continue in full force and effect.
11. **Governmental Immunity.** The Parties do not waive or intend to waive, the limitations on liability which are provided to the Parties under the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.* (“CGIA”). The provisions of C.R.S. § 29-5-108 will not apply to activities conducted pursuant to this IGA.
12. **Independent Contractor.** The relationship between the Parties is one of an independent contractor and not an employment relationship. Neither the City of Boulder nor any agent or employee of the City of Boulder shall be deemed to be an agent or employee of the City of Louisville. The City and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the City of Louisville and the City of Louisville shall not pay for or otherwise provide such coverage for the City of Boulder or any of its agents or employees.
13. **Choice of Law; Venue.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this IGA. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this IGA, to the extent capable of execution. Venue for any legal action arising out of this IGA shall be in Boulder County, Colorado.
14. **Authority.** Each of the individuals whose signature appears below represents and warrants that he or she has full authority to execute this IGA on behalf of the Party on whose behalf he or she has affixed his or her signature to this IGA.

WHEREFORE, the Parties have entered to this IGA as of the Effective Date.

**City of Boulder,
a Colorado home rule city**

By: _____

Nuria Rivera-Vandermyde,
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney's Office

**City of Louisville,
a Colorado home rule city**

By: _____

Christopher M. Leh, Mayor

ATTEST:

Meredyth Muth, City Clerk

Exhibit A – Scope of Services

Purpose

The purpose of the Program is to centralize homeownership and rental compliance program services through the Boulder County Regional Housing Partnership (BCRHP). The Program will achieve several goals:

- Create policy alignment
- Use resources efficiently
- Encourage regional collaboration
- Apply consistent best practices and processes
- Support newly adopted affordable housing programs
- Provide streamlined access to multiple programs for residents
- Ensure racial equity is centered as a primary objective of the collaborative work through encouraging prioritization of first meeting the affordable housing needs of the most underserved in our community.

The Program is a transformational idea in that it has been a longstanding goal of the BCRHP to create regional services in alignment with the [2017 Regional Housing Strategy](#) and can support the program infrastructure needed for more municipalities within the BCRHP to implement affordable housing programs.

Throughout the Program, equity and accessibility will be addressed through the adopted policies and procedures that dictate the practices. Current local affordable housing programs have shown to dramatically increase access to housing to households with racial diversity.

The Need & Lead Roles

Currently, there are several municipalities within the BCRHP that do not have dedicated resources or program infrastructure for homeownership and/or rental compliance programs. Boulder County Housing Authority (BCHA), the City of Longmont, and the City of Boulder manage most of the compliance for homes which they have developed or funded. However, as other municipalities continue to grow their affordable housing programs, there will be a growing need to maintain high-quality, specialized expertise in compliance. The BCRHP believes that is possible with a regionalized approach, administered by City of Boulder staff.

Similarly for homeownership programs, some municipalities in the BCRHP manage for-sale units on a case-by-case basis without a formalized team, which has been appropriate in the past given the small number of affordable for-sale units in the region. As the BCRHP continues to grow for-sale housing stock, there will be a similar need to administer a homeownership program at the regional level to create efficiencies in marketing units, qualifying buyers, facilitating sales / re-sales, preventing foreclosure, and implement industry best practices. The City of Longmont and City of Boulder manage their own homeownership programs.

Under the BCRHP, the City of Boulder Department of Housing and Human Services will take responsibility for Program administration. For the homeownership and rental program this responsibility will commence when an affordable home is brought into the program or when the program designated covenant is attached to an existing home. Specifically, the regional homeownership program will not participate in the management or sale of homes with covenants different from the regional homeownership covenant (i.e., existing affordable homeownership units).

Resources & Funding

The Program presents a two-year funding proposal to startup the program and establish a one-time revolving fund for region-wide foreclosure prevention:

	Budget
Rental & ownership compliance, implementation, administration and strategic leadership staff	\$584,243
Database licenses & support	\$13,098
Foreclosure prevention (revolving fund)	\$662,000
Total 2-Year Budget	\$1,259,341

This funding will address all resources needed to implement the Program for two years. Thereafter, a permanent funding source from each of the municipalities or County will create a sustainable approach for the Services. Similar programs today work regionally and are paid for between jurisdictions. These programs include: the County's Housing Help Line, Longmont's housing rehab program, and Boulder's Mediation and Resolution Program. Participating jurisdictions contribute a share of the costs to the administering jurisdiction.

Program Policy Setting

The Program will incorporate a committee structure to advise on policy setting for the Program:

	Policy Setting Committee	Policy <u>Exceptions</u> Committee (homeownership)
Committee Participation (5-year term)	➤ One member from each participating jurisdiction ➤ Regional Homeownership Program Manager ➤ Regional Compliance Program Manager	➤ External volunteer participation ➤ Regional Homeownership Program Manager
Committee Structure	➤ Purpose is to provide jurisdiction's with an advisory role of program activity in their community. ➤ Twice annual meeting to review data; recommend adjustments to program as needed	➤ Considers unique and individual (case-by-case) circumstances that don't meet current procedures ➤ Makes a recommendation to the jurisdiction's liaison, who makes final decision
	Example: The program mortgage policy needs to be updated to reflect the changing lending environment.	Example: A new home-buyer would like to make an investment 1-year ahead of the policy allowance, due to their personal and unique circumstance of moving into their new home.

The Policy Setting Committee will be responsible for guiding the program alongside the BCRHP and the City of Boulder as the administrative jurisdiction. Success will be measured by how closely the established goals are met.

The Homeownership Policy Exceptions Committee will be administered by the Program and each participating jurisdiction will be collectively responsible for recruiting members to ensure broad representation.

Policies and Procedures (Homeownership Program)

Affordable homes in the programs will be marketed and sold to qualified buyers according to the existing policies and procedures developed by the City of Boulder and the Participating Jurisdiction. These policies and procedures are living documents that will evolve to meet the needs of the Homeownership Program and will continue to evolve with the involvement of the participating jurisdictions through the Policy Committee.

One of the first tasks to launch the Program will be to modify current written materials (e.g., policies, procedures, marketing, website, etc.) from a City of Boulder focus to a regional approach to administration. Homes entering the Program from other jurisdictions will be administered to the benefit of that jurisdiction's work force per the current Program policies and procedures.

Policies

The following list of existing **policies** will be used as a basis to administer the Program specific to homeownership:

1. Eligibility Requirements
 - a. Eligibility Requirements for Program Certification
 - b. Applications Missing Documents – Applies to New Applications and Recertifications
 - c. Income Limit Interpretation
 - d. Income Change Policy
 - e. Commission Based Income Policy
 - f. Asset Limits
 - g. Asset Decrease Policy
 - h. Trusts
 - i. Third Party Employment Verification
 - j. Multiple Benefit
 - k. Minimum and Maximum Number of Bedrooms
 - l. Waiving Household Number + 1 Bedroom
 - m. Homebuyer Education Class
 - n. Gift Limitations
 - o. Buyer's \$2,000 Minimum Cash Contribution
 - p. Ineligibility Policy
2. Selection Process Policies
 - a. Work and One-Year Certification Preferences
 - b. Preferences for 3 or More Bedroom Units
 - c. Occupancy Preferences

- d. Accessible Unit/Special Feature Unit Housing Policy
- e. Displaced Renters and Homebuyer Preferences
- f. Selection Entry Requirements
- g. Applicant under contract may not enter fair selection process
- h. 24 Hours to Make an Offer After the Fair Selection
- 3. Homeowner Policies
 - a. Capital Improvement/Capital Update Credit and Maintenance Policy
 - b. Pre-purchase Upgrades
 - c. Insurance Requirements for Town homes
 - d. Homeownership Rental Policy
 - e. Homeownership Rental Policy Regarding Resales
 - f. Homeownership Rental Exception Policy
- 4. Resale & Developers
 - a. AMI % Change for Resale Formula
 - b. Home Income Limit Change
 - c. Homeowner Resale Calculation Policy
 - d. Resale Options Policy
 - e. Sales Commissions
 - f. Excessive Damage Assessment/Inspection Standard
 - g. Subsidizing Resale Units
 - h. Seller Concessions
 - i. Developer Contracts
- 5. Mortgage Policy
- 6. Miscellaneous Policies
 - a. Exception Requests
 - b. Not Allowing Permanently Affordable Homes to go to Foreclosure
 - c. Working with Developmentally-Challenged Applicants

Procedures

The following is a list of existing **procedures** that will form the basis to administer the Program specific to homeownership:

- 1. Applications
 - a. Application Processing
 - b. Application Check Processing/Deposits
 - c. Application Waitlist Management
 - d. Applicant Personally Identifiable Information
- 2. Sales
 - a. Marketing A Home
 - b. Holding a Fair Selection Process
 - c. Sales - Post Selection Process to Closing
 - d. Pre-Purchase Upgrades – New Construction
- 3. Post Purchase
 - a. Capital Improvements
 - b. Refinance
- 4. Other

- a. Exception Request
- b. Annual Income Number Update
- c. Loan Repayment
- d. Foreclosure and Purchase
- e. Personally Identifiable Information (PII)

Foreclosure Prevention

A foreclosure prevention fund for the Program is an important tool to ensure homes remain affordable in perpetuity. The Program records a \$10 Deed of Trust on all affordable homes. This ensures that the Homeownership Program Manager is notified in the event of foreclosure proceedings or an attempted sale outside of the Program. The Homeownership Program Manager will contact the owner to facilitate the sale of the home to an eligible buyer or in rare circumstances the Program will purchase the home prior to or after foreclosure. If the Program purchases a home, it will make all the necessary repairs and sell the home to an eligible buyer and the proceeds are returned to the fund. The \$1.2M revolving fund ensures that sufficient resources are available in the event that 3-4 homes are required to be purchased at the same time to ensure the integrity of the Program. This is a revolving fund, so funds used to purchase an affordable home are returned at the time of sale. This revolving loan fund will also be used to cover any costs associated with the purchase (holding, repair, fees, etc.) in lieu of raising the price of the home to ensure deeper and longer affordability. However, in the majority of cases the Program will be able to work with the troubled homeowner to facilitate a sale to another eligible buyer and avoid the expense of foreclosure and the subsequent impact on the homeowner's credit score. The foreclosure prevention fund is only available for homes in Boulder County due restrictions in funding (i.e., ARPA).

Covenant Enforcement

Post-purchase, the Program continues to monitor to confirm owners comply with the agreements contained in the covenant. Renting an ownership unit outside of the parameters in the covenant is the primary violation. As a result, occupancy compliance work involves investigating potential rental violations, working with owners to get them back into compliance and, in some cases, commencing legal action. Program staff will work to regularly educate owners about occupancy requirements to prevent violations. Unfortunately, there are still issues and the Program is diligent about investigating issues. There will be instances where Program staff will need to partner with the local jurisdictions' staff and their legal counsel in the pursuit of resolution (e.g., confirm violation of owner occupancy through a home visit, preparing an existing document related to a purchase or foreclosure redemption, levy fines, etc.).

Policies and Procedures (Rental Program)

Affordable rentals in the Program will be marketed and available to eligible renters according to policies and procedures developed by the City of Boulder. The City of Boulder's Rental Compliance Program has been developed to not only ensure long-term compliance and preserve permanent affordability, but to also ensure that all publicly supported rental housing properties serve the most vulnerable residents. These policies and procedures are living documents that evolve to meet the needs of the Program and will continue to evolve with the involvement of the participating jurisdictions through the Policy Committee.

Like the Homeownership Policies and Procedures (described above), one of the first tasks to launch the rental Program will be to modify current written materials (e.g., policies, procedures, marketing, website, etc.) from a City of Boulder focus to a regional approach. Rental units entering the Program from other jurisdictions will be administered to the benefit of that jurisdiction's work force and residents per the modified Program policies and procedures.

The following list of **policies and procedures** will be used as a basis to administer the Program specific to rentals:

1. Roles and Responsibilities
 - a. Rental Compliance Program
 - b. Housing Sr Compliance Manager
 - c. Housing Sr Program Manager
 - d. Housing Project Manager
 - e. Compliance and Monitoring Administrator
 - f. Owner
 - g. Property Manager/Property Management Company
 - h. Changes in Ownership or Management of Property
2. Regulatory Requirements
 - a. Rental Housing Licensing (*City of Boulder specific program*)
 - b. Period of Affordability
 - c. Unit Mix
 - d. Fair Housing and Equal Opportunity
 - e. Nondiscrimination in Housing (*City of Boulder specific program*)
 - f. City of Boulder Human Rights Ordinance (*City of Boulder specific program*)
 - g. ADA, Section 504 & Fair Housing Accessibility
 - h. Section 504 & Disabilities Act (ADA)
 - i. Section 405 & Disability Rights in Housing
 - j. Housing for Older Persons
 - k. Affirmative Marketing
 - l. Limited English Proficiency
 - m. Language Access Plan
 - n. Marketing Requirements
 - o. Screening & Selection Applicants
 - p. Tenant Selection Plan
 - q. Preferences for Tenants with Special Needs
 - r. Notice to Applicants
 - s. Waiting Lists Requirements
 - t. Interest List
 - u. Declaration of Citizenship
 - v. Race & Ethnicity
3. Eligibility Requirements
 - a. Occupancy Limits
 - b. Authorized Guests & Visitors
 - c. Restriction on Short-Term Rental & Subletting
 - d. Electronic Signatures & Document Transmission

- e. Student Policy
- f. Definition of Income
- g. Determining Income Eligibility
- h. Income Calculation
- i. Method of Income & Asset Verification
- j. Acceptable Forms of Income Verification
- k. Annual Recertification
- l. Excluded Sources of Income
- m. Effective Terms of Certification
- n. Assets Limits
- o. Increase in Housing Income
- p. Changes in Household Composition
- q. Unit Transfer
- r. Unit Transfer with Change in Household Composition
- s. Determining Rents
- t. City Approval of Rent Adjustments
- u. Utility Allowance
- 4. Tenant Rights & Protections
 - a. No Eviction without Representation
 - b. Minimum Lease Requirements
 - c. Prohibited Lease Terms
 - d. Required Lease Addendums
 - e. Violence Against Women Act
 - f. Termination of Tenancy
 - g. Non-Renewal of Lease
 - h. Charges & Fees
 - i. Option Fees
 - j. Non-Optional/Mandatory Fees
 - k. Guidelines for Allowable Charges & Fees
 - l. Prohibited Fees
 - m. Conflict of Interest
 - n. Dispute Resolution
 - o. Mediation Services
- 5. Property Standards
 - a. Minimum Property Standards
 - b. Lead Based Paint Requirements
 - c. Annual Inspections
- 6. Records and Reporting Requirements
 - a. Maintaining Tenant Records
 - b. Sample Tenant File Forms
 - c. Record Retention
 - d. Access to Records
 - e. Reporting Requirements
- 7. Compliance Monitoring
 - a. Monitoring Overview
 - b. Monitoring Plan

- c. Types of Monitoring
- d. Site Review & Remote Monitoring Process
- e. Technical Assistance
- f. Monitoring Long-Term Viability
- g. Non-Compliance
- h. Term of Enforcement

Covenant Enforcement

Within 12 months of lease-up, the Program will monitor affordable rental properties to confirm owners/managers comply with the agreements contained in the covenant and Rental Compliance Manual. After initial lease-up, each property will be monitored every three years. Program staff will work to regularly educate owners/managers about rental compliance requirements to prevent issues of non-compliance. When issues of non-compliance arise, Program staff will need to partner with the local jurisdictions' staff and their legal counsel in the pursuit of resolution.

Data Requirements

A regional approach to affordable housing requires a regional database to facilitate application processing, facilitate transactions, track the inventory, monitor programs, and evaluate progress over time. The database is also integral to providing good client services to program participants and ensure ongoing compliance with local and federal rules associated with affordable housing funds. The City of Boulder recently converted an old Access database (HAL) to Salesforce (Housing Dataverse) with greater capabilities. The budget of \$13,098 estimates the time required to hire a consultant to modify Salesforce to include the capabilities of keeping track of affordable housing units outside of the City of Boulder. It also includes the cost of licenses for the staff required to administer the Program for participating jurisdictions.

The City of Boulder's Affordable Housing Program has a history of better serving Black, Indigenous, and People of Color (BIPOC) than the broader housing market. Where possible, the work performed under this IGA should be informed through the use of racialized data and metrics in order to help ensure the outcomes of the programs and supports provided across the region are centered in racial equity.

Exhibit B – Homeownership Affordable Covenant Summary

All Permanently Affordable ownership homes are sold subject to a covenant that ensure the home remains perpetually affordable into the future. The buyer must accept all terms of the covenant to be eligible to purchase the home.

Covenant Key Points

- The maximum income and assets of a new buyer will be established in advance of sale or re-sale, and the home may not be sold to a buyer that exceeds the maximum income and asset limit.
- The home has a Maximum Resale Price Limit that includes limited appreciation and allows for specific capital improvements.
- Buyers are required to maintain their affordable home in a manner that protects the health, safety, and livability for future homeowners.
- Eligible capital improvements for which a homeowner can receive credit are limited in amount and type and must be pre-approved by the program to receive credit.
- The ability to refinance is limited to 90-93% of the Maximum Resale Price Limit. The program must be contacted prior to arranging refinancing with a lender to ensure this limit is not exceeded.
- The home must be occupied by the owner as the owner's principal place of residence unless the program has approved a rental arrangement.
- The home cannot be rented in its entirety during the first five years of ownership.
- After five years of ownership, the home may be rented for one year out of every seven. The program needs to be contacted prior to renting for approval.
- A long-term rental of only one room in the home may be permitted after the first year of ownership. Licensing regulations for each jurisdiction must be followed.

There are instances where the Program will require an Interim Covenant in exchange for funding or to meet a regulatory requirement. Interim covenants ensure affordability through a project design and development phase when the exact details of the project are unknown. Once a certificate of occupancy is issued for a home by a local jurisdiction, the interim covenant is replaced with a permanent covenant specific to that home.

Exhibit C– Rental Affordable Covenant Summary

All Permanently Affordable rental units are subject to a covenant that ensures the rental property/units remain perpetually affordable into the future. The Owner must accept all terms of the covenant and Rental Compliance Manual.

Rental Covenant Key Points

- **Maximum Income:** The maximum income limits at initial occupancy determine household income eligibility. Household income after initial occupancy may increase up to 84% AMI.
- **Over-Income:** Households that have an income at or above 84% are considered over income and therefore no longer eligible to occupy the affordable unit.
- **Maximum Assets:** The Asset Policy imposes a 55,000 liquid asset limit. Seniors and persons with disabilities are exempt from the liquid asset limit. The policy also imposes a restriction on ownership interest in residential property in which an applicant can legally reside.
- **Maximum Rent & Rent Increases:** Maximum rent is based on the Area Median Income outlined in the Covenant and the number of bedrooms. Rents can only be increased once per year up to the maximum rent published.
- **Capital Reserves:** The Owner must contribute a minimum amount of funds annually towards capital replacement reserve.
- **Property Standards:** Buyers are required to maintain their affordable home in a manner that protects the health, safety, and livability for future homeowners.
- **Reporting Requirements:** The Owner/Manager must submit Quarterly and Annual Reports to the City as outlined in the Rental Compliance Manual
- **Record & Retention Requirements:** The Owner/Manager must have complete records and meet the retention requirements as outlined in the Rental Compliance Manual.
- **Tenant Selection Plan:** The Owner/Manager must develop a Tenant Selection Plan which outlines the selection criteria. The Plan must be in compliance with the City's Tenant Selection Policies.
- **Waiting List Requirements:** The Owner/Manager must create and maintain a wait list.
- **Lease Requirements & Prohibited Lease Terms:** Leases between the Owner and residents of the specified permanently affordable units must be for not less than one year unless mutually agreed upon by the Owner and residents. The lease must not contain any of the prohibited lease terms as outlined in the Rental Compliance Manual.
- **Termination of Tenancy:** The Owner may not terminate the tenancy or refuse to renew the lease of a tenant of the Property except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state or local law; or for other good cause as determined by the Owner and City of Boulder policies. Any termination of tenancy or refusal to renew must be preceded by not less than 30 days by service upon the tenant of a written notice from the Owner specifying the grounds for the action.

There are also instances where the Program will require an Interim Covenant in exchange for funding or to meet a regulatory requirement. Interim covenants ensure affordability through a project design and development phase when the exact details of the project are unknown. Once a certificate of occupancy is issued for an affordable rental property by a local jurisdiction, the interim covenant is replaced with a permanent covenant specific to that affordable property.