



Council Memorandum

To: The Honorable Mayor and City Council

From: Sarah Vaine, Thriving Communities Director, Rick Muriby, Com. Dev. Director

Through: Scott Vargo, City Manager

Date: June 17th, 2025

Re: Affordable Housing Funding Award Guidelines, Funding Cycle, and Application

Purpose of Agenda Item:

City staff have developed an application process for affordable housing projects to request one-time program funding (up to the charter limit) and funding from the Housing Trust Fund received via cash-in-lieu or other funding mechanisms. Staff requests City Council feedback on the draft Affordable Housing Funding Award Guidelines, Funding Cycle, and Application.

Background:

Charter

In 2001, the current City Charter language was established related to limits on the amount of economic incentives that the City can offer without voter approval.¹ Exceptions to the Charter Restriction include:

1. The City can approve development incentives/subsidies up to \$100,000 over the term of the agreement, if the agreement relates to construction or development of senior housing; or
2. Low-income housing as defined by State or Federal law or regulation.

On May 28th, 2024, the City adopted ordinance 2239 which allows for increases to the Charter monetary limits established in 2001 to adjust for inflation². The current \$100,000 cap in 2025-dollar values is \$179,478.

¹ Charter XI.V. Subsidies and Incentives for Development

² Charter Chapter XI.V. section 11.5.3 allows for adjustments for inflation.

Pursuant to the Charter requirements, the city relies on the state definition of low-income applicant, which is one hundred percent of the area median income (“AMI”) of households of the same size in the county in which the housing is located.

Most recently, funding associated with this Charter provision was used to support Foothills Regional Housing’s acquisition of Copper Gold Apartments (510 24th Street, Golden, CO 80401) in 2024 prior to having an official process developed.

Housing Trust Fund

In 2022, the City created the Affordable Housing Trust Fund (“the Fund”) for the purpose of developing and/or preserving affordable housing for individuals of low, and moderate to middle-income (up to 120% of AMI).

Cash-in-lieu Program

The Clayworks development project (“Clayworks”), currently taking place on the Clayworks Land CO LLC property located at 600 9th Street was approved by the city on June 7, 2022. As part of the approval process, an Official Development Plan (“ODP”) was created that requires Clayworks to provide a cash-in-lieu payment to the city to be used for affordable and/or workforce housing.

The City is also working on identifying additional opportunities for cash-in-lieu, such as the Affordable Housing Committee recommendation to develop an affordable housing option related to the 25% commercial use component in the City’s mixed-use zone districts. The concept would allow applicants to substitute affordable units within market-rate developments, or cash-in-lieu of these affordable units, to satisfy the commercial use requirement.

Process for Funding Requests

Since the City can provide funding up to the charter amount, and the Housing Trust Fund anticipates funding via cash-in-lieu within the next few years, city staff wanted to be proactive in building out a process for applicants to request funding in support of affordable housing projects. The attached draft application provides an overview of the funding options, eligibility requirements, criteria for award, funding cycle, and guidelines.

The draft application provides two available funding options for requests, one that is limited to the current City Charter limit and one that comes from the Housing Trust Fund program. The two options have different AMI limits, but some requests may qualify for both funding sources.

Chapter 18.60 of the Municipal Code contains the current process for the City’s economic incentives program, which includes charter limited funds for low-income housing at or below 100% of AMI. This AMI limit aligns with many of the state funding requirements such as Proposition 123, so the charter restricted funding could also be used to supplement state funding for a project. Approved funding requests are also subject to an agreement between the City and applicant. The City Manager is authorized to approve such funding requests, subject to Council call-up. However, it should be noted that the City Manager may only authorize up to \$100,000 (adjusted for inflation up to the current \$179,478 charter limit) in

spending, so requests that are higher than this amount must be approved by Council by resolution. Lastly, it's important to note that the process noted above, for Charter restricted funds, requires the recipients of any subsidy or incentive to maintain on the premises for 5 years a sign thanking the taxpayers and stating the dollar value of the awarded grant.

The Affordable Housing Trust Fund program, however, does not have an application process in place. This Fund, codified in Chapter 2.18 of the Municipal Code, may contain funding from a variety of sources such as cash-in-lieu of affordable housing, grants and other appropriated funds. A process will need to be created by ordinance and codified in Chapter 2.18, and staff is seeking City Council direction today on that process. Staff recommends that the first step would be the completion of an application for funding. Following staff review of the application an award could be granted at the discretion of the City Manager if the award amount is at or below the City Manager's purchasing authority or some other amount agreed upon by City Council. Alternatively review and approval could be completed by council resolution (on consent) based on staff recommendations. Or, it may be a process requiring presentation to City Council with opportunity to hear from the applicant in a regular business meeting. Multiple review and approval processes may be considered by City Council, perhaps based on certain funding/award thresholds that adjust annually with inflation.

An agreement between the applicant and the City would also be needed as part of the approval process. The Fund currently requires that projects receiving funding from the Affordable Housing Trust Fund be deed restricted as permanent affordable housing unless waived by City Council resolution. That requirement shall remain in place. Secondly, GMC 2.18.040(b) requires that City Council determine the terms and conditions of repayment of loans and grants from the Fund, including the appropriate security and interest, if any, should repayment be required. This also shall remain in place so long as council desires it to be. Lastly, it is important to note that GMC 2.18.050 requires the City to report annually to the City Council regarding the use of Funds.

Criteria for Evaluating Requests:

In order to evaluate funding requests for either the Housing Trust Fund or Charter limited funds, Council may wish to adopt specific criteria in the code as part of the decision process. Staff proposes the following for consideration and welcomes additional Council suggestions:

- Helps the city achieve its Prop123 goals (at or below 60% AMI for rentals, at or below 100% AMI for homeownership)
- Promotes geographic diversity of affordable housing (project located in a neighborhood of Golden that currently does not have affordable housing)
- Provides the city with referral options or preference for the units to house Golden residents or workers
- Fills a gap in currently available housing in Golden (for example affordable homeownership, subsidized housing, downsizing opportunities, etc.)
- Provides close proximity to walking and biking infrastructure, as well as transit service

- Offers access to nearby parks, schools, grocery stores and other services

Recommendation

Staff recommends a discussion of the above recommended approach and appropriate direction to City staff.

Specifically, city staff would like direction on:

- Authority for City Manager to approve Charter Restricted awards, currently at \$179,478 and subject to annual CPI adjustments with the ability for Council to call-up any applications
- Amendments to the application or the associated process
- Additions or suggestions related to criteria for evaluating requests

Based on City Council feedback, city staff will finalize the application process and bring back to City Council an ordinance for council consideration.

Attachments

- Draft application for affordable housing funding

Affordable Housing Funding Award Guidelines, Funding Cycle, and Application

The City of Golden has two programs that support housing in the City.

One time Funding Program (up to the charter limit): Per the City Charter, the City of Golden is allowed to contribute one-time funding to affordable housing preservation and/or development up to the amount of \$100,000 annually adjusted for CPI, (currently \$179,478 for 2025) if the project is in service of low-income housing as defined by State or Federal law or regulation (currently at or below 100% Area Median Income).

Housing Trust Fund Program: Additionally, the City has created a program to award funds from Golden's Housing Trust Fund received via cash-in-lieu payments or other funding mechanisms for the creation of affordable and workforce housing dwelling units in the City of Golden.

Funding can be requested from both the Housing Trust Fund and the one-time city funding for affordable housing projects, with specific income requirements detailed below. The City has opened up applications for this funding, subject to eligibility, and with the funding cycle outlined below.

DISCLAIMER: Please note that funding is limited and is not guaranteed for every project request. Additionally, if Applicant's proposed development at the Property is delayed and not completed with an issued building permit (if applicable) and recorded restriction for affordable units within five (5) years of the effective date of this award, the award must be paid back to the City in full. Further, if the Applicant pursues an alternative project that does not meet the eligibility requirements described below, the Applicant will be required to repay the City immediately.

Funding Cycle:

Applications open the month prior to each new quarter with a submission to city staff requested by the first day of the quarter. City staff will bring the request to City Council via resolution during the quarter with an expected award notification by the end of the quarter. Funding is limited and not guaranteed even if the applicant is the only submission that quarter. Off cycle applications can be considered at the discretion of the city manager.

- Q1
 - Applications open December 1st
 - Applications due by January 1st

- Award Decision by March 31st
- Q2
 - Applications open March 1st
 - Applications due by April 1st
 - Award Decision by June 30th
- Q3
 - Applications open June 1st
 - Applications due July 1st
 - Award Decision by September 30th
- Q4
 - Applications open September 1st
 - Applications due by October 1st
 - Award Decision by December 31st

Eligibility:

The following provides an outline to submit information for one-time funding request as described below. To be eligible for this funding

- For one-time City of Golden Funding: Serve households making 100% AMI or less if the intended use is homeownership or serve rental households making 60% AMI or less.
- For Housing Trust Fund Funding: Serve households making up to 120% AMI with a project average up to 100% AMI for homeownership or up to 60% AMI for rental housing.
- Be 100% permanently affordable.
- Promote geographic diversity of affordable housing.

Project Evaluation Criteria:

Projects demonstrating the following elements will receive priority consideration for available funding.

- Helps the city achieve its Prop123 goals (at or below 60% AMI for rentals, at or below 100% AMI for homeownership)
- Promotes geographic diversity of affordable housing (project located in a neighborhood of Golden that currently does not have affordable housing)
- Provides the city with referral options or preference for the units to house Golden residents or workers. with Golden residents?
- Fills a gap in currently available housing in Golden (for example affordable homeownership, subsidized housing, downsizing opportunities, etc.)
- Provides close proximity to walking and biking infrastructure, as well as transit service
- Offers access to nearby parks, schools, grocery stores and other services

Funding Source You're Applying to (check all that apply):

- One-time City of Golden Funding _____
- Housing Trust Fund Funding _____

Applicant Information:

- Applicant Date:
- Applicant Legal Name:
- Legal Entity status (LLC, non-profit, etc.)
- Property Address for Project:
- Property Legal Description for Project:
- Applicant Owner, Address, Phone, Email:
 - Name:
 - Address:
 - Email:

Project Narrative:

- **Brief History of the Site/ Building:**
- **Description of the Proposed Project including target AMI:**
- **Explanation of Property Ownership and/or Business Structure:**
- **Explanation of How the Project Meets the City's Affordable Housing Goals:**
- **Explanation of How the Project Meets the City's Zoning Requirements and Description of Process for Approval:**
- **Description of Eligible Public Benefit Costs:**

Financial Structure Narrative:

Summary of Construction or Preservation Budget:

Construction Timeline:

Total Funding Requested:

Schematics, Renderings, Plans, Current Photos: