

CHAPTER 4

AFFORDABLE HOUSING

This chapter starts with an overview of the current affordable housing situation in the City of Thornton. It also reviews the fair housing complaints in Thornton received by the U.S. Department of Housing and Urban Development (HUD). The chapter then highlights existing and potential affordable housing programs and funding tools, and offers goals to ensure that families of all incomes can afford safe and sanitary housing within the City.

Subsequent to adoption of this Plan, City Council approved an amendment to the Housing Master Plan on July 12, 2011 to include an Affordable Housing Policy statement for the purpose of directing City efforts to expand the supply and distribution of safe and decent affordable housing. The Affordable Housing Policy is included in its entirety in Appendix B.

A. Affordable Housing Measure

Affordable housing is a term used to describe rental or owned housing units in which the total housing costs are within the financial means of households earning a median income. In the housing industry, and according to HUD, housing affordability is defined in terms of the proportion of household income that is used to pay housing costs. Housing is affordable if no more than 30 percent of a household's gross monthly income is needed for rent, mortgage payments, taxes, insurance and utilities. When the monthly carrying costs of a home exceed 30 - 35 percent of household income, the family is considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. To establish a consistent measure, throughout this chapter "affordable housing" will be defined as residents paying no more than 30 percent of their gross income on housing costs.

The primary factor in housing affordability is household income. Each year, the federal government calculates the area median income (AMI) for communities across the country and adjusts that amount for different family sizes. Family incomes are expressed as a percentage of AMI. The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median.

The 2009 median family income for the Denver-Aurora Metropolitan Statistical Area (MSA) was \$76,000, based on a four-person household. This area includes Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park counties. The following table, **Exhibit 4.1**, illustrates varying percentages of median family income levels for the Denver-Aurora metro area.

Exhibit 4.1: Median Family Income in the Denver-Aurora Metro Statistical Area								
AMI Percent	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
120%	\$60,300	\$68,950	\$77,550	\$86,150	\$93,050	\$99,950	\$106,850	\$113,750
100%	\$53,200	\$60,800	\$68,400	\$76,000	\$82,100	\$88,200	\$94,300	\$100,400
80%	\$42,550	\$48,650	\$54,700	\$60,800	\$65,650	\$70,550	\$75,400	\$80,250
50%	\$26,600	\$30,400	\$34,200	\$38,000	\$41,050	\$44,100	\$47,100	\$50,150
30%	\$15,950	\$18,250	\$20,500	\$22,800	\$24,600	\$26,450	\$28,250	\$30,100

Source: MSA - The Metropolitan Statistical Area is established by the Federal Office of Management and Budget (OMB).

B. Rental Housing

Maintaining and improving the supply of existing and new affordable rental housing for low- and moderate-income residents should be a priority goal for the City. Currently, there are 19 apartment complexes in the City that offer affordable units. Affordability of rental housing is critical for Thornton because many residents are reliant on the rental market. Additionally, the current economic recession has led to an increased number of foreclosures which may be



Creekside Place apartments offer attractive, affordable rental housing in south Thornton.

pushing some people into the rental market. Rental housing typically serves three sectors of the community. Rentals provide accommodation for future homeowners until they are ready to purchase their own home. Rentals also provide housing for residents within the lowest income bracket who may never achieve home ownership and instead rely permanently on the rental market. Additionally, the rental market is important to residents affected by financial downturn. This includes homeowners unable to meet mortgage payments due to job loss, increased interest rates on payments or other hardship. These residents

may be temporarily forced into the rental market because they had to sell or rent out their homes, or the mortgage company has foreclosed on their home. However, these residents will likely resume home ownership once they regain financial solvency.

BBC Research and Consulting (Consultant) conducted research on rental affordability in Thornton for the 2009 Housing Needs Assessment and the 2010 – 2015 Five-Year Consolidated Plan. The Consultant found that in 2008, seven percent of all renter households in Thornton earned less than \$10,000. These households could only afford to pay a maximum \$250 per month in rent without being cost burdened. Thornton has approximately 343 units rentable at \$250 per month, which leaves 226 households earning less than \$10,000 underserved. One-third of Thornton’s renter households earn less than \$25,000 per year. An additional 2,100 units are needed to house these residents, priced between \$250 and \$625 per month. These households are not homeless but are cost burdened and may be at risk for homelessness if they cannot manage their rental payments. **Exhibit 4.2** displays the overall rental gap for Thornton’s renter population.¹

Exhibit 4.2. Rental Gap Analysis, Thornton 2008

Income Ranges		Maximum Affordable Rent	Number of Renters		Renter Occupied Units		Rental Gap
Low	High		Number	Percentage	Number	Percentage	
\$0	– \$9,999	\$250	568	7%	343	4%	-226
\$10,000	– \$14,999	\$375	539	6%	341	4%	-199
\$15,000	– \$19,999	\$500	1,114	13%	1	0%	-1,113
\$20,000	– \$24,999	\$625	689	8%	90	1%	-599
\$25,000	– \$34,999	\$875	1,459	17%	2,986	36%	1,527
\$35,000	– \$49,999	\$1,250	1,024	12%	3,286	40%	2,262
\$50,000	– \$74,999	\$1,875	2,053	24%	1,255	15%	-798
\$75,000	– \$99,999	\$2,500	645	7%	0	0%	-645
\$100,000	– \$149,999	\$3,750	518	6%	0	0%	-518
\$150,000 or more		\$3,751	74	1%	0	0%	-74

Source: BBC Research & Consulting

Thornton’s rental gap is modest compared to many communities. Since the gap is small, the City is in a good position to eliminate or reduce the gap substantially. To address this gap, the City could partner with housing authorities, developers and nonprofits to encourage the development of new affordable rental units that have rent restrictions. Inclusionary housing requirements for developers, discussed further below, are another option for obtaining affordable rental units or a pool of funding dedicated to affordable housing. If mandatory requirements or incentives for private industry are not feasible, donating City-owned parcels, or directing Community Development Block Grant (CDBG) or Private Activity Bond funding to the Adams County Housing Authority (ACHA) and/or other affordable housing organizations could also be explored as a strategy for reducing the rental gap.

The Consultant also found that Thornton lacks higher-end rental housing options for persons earning more than \$50,000 a year.² This segment of the population may be in a life transition due to factors such as relocation, job, or marital status and require accommodation through their transition. However, this rental gap is not as critical as the need for affordable housing and could be filled by private industry.

Multifamily Rental Trends

In addition to the Consultant's findings, the City should assess the causal relationship between the current economic recession and demand for affordable rental housing to determine if recessionary consequences have created a temporary need for additional rental housing or if a longer-term trend, unrelated to recession, exists. Tougher underwriting standards are expected to cause many renters to remain in the rental market, while foreclosures are expected to return some homeowners to renting. Assessment may be accomplished by conducting a new rental gap analysis in 2010 and again after recovery is well-established. Additionally, a comparison of the upcoming 2010 U.S. Census with the 2007 American Community Survey results will be useful. Any significant change in the number of renter-occupied units in Thornton, which was 33 percent of housing units in 2007, may indicate the need for further evaluation.³

Vacancy Rates

Vacancy rates are critical indicators of whether the rental market is functioning efficiently at a listed rental price. In an efficient market, supply meets demand. Vacancy rates are also indicative of whether the size and type of rental unit is the right product for the area's needs. Data from the Apartment Association of Metro Denver and the Department of Local Affairs, Colorado Division of Housing indicates that the average apartment vacancy rate in the Northglenn/Thornton submarket area was consistent with the average for all of Adams County in the 4th Quarter of 2009 at 6.3 percent, and lower than the 4th Quarter average vacancy rate of 7.7 percent for the entire Denver area (including Adams, Arapahoe, Boulder, Denver, Douglas and Jefferson Counties).⁴

Fourth Quarter 2009 Northglenn/Thornton submarket area vacancies were essentially flat from the 3rd Quarter 2009 rate which was 6.0 percent. Additionally, these 4th Quarter subarea vacancy rates indicate a decline from the 2008 annual average of 8.05 percent, and 1st and 2nd Quarter 2009 rates which were 8.2 percent and 8.7 percent respectively.⁵ Since the Apartment Association data includes Northglenn, Thornton City Development staff conducted a telephone survey of Thornton apartments to determine whether Thornton's rates deviated from the 6.3 percent due to skewing by higher or lower vacancy rates in Northglenn. Based on the phone survey, City staff calculated a 5.0 percent vacancy rate for Thornton as of February 2010.

The Consultant provided a breakdown of 3rd Quarter 2008 vacancy rates for the Northglenn/Thornton submarket area by building size, rental rates, price per

square foot and age of the complex.⁶ In 3rd Quarter 2008, the submarket area vacancy rate was 8.8 percent. Although the vacancy rate has declined since then, the considerable variation by breakdown found by the Consultant remains relevant. Units with the lowest rents and lowest price per square foot had the lowest vacancy rates, indicating higher demand for more affordable housing. Small apartment complexes, which tend to have the lowest rents, were more desirable than larger complexes. However, larger rental units within any complex had lower vacancy rates. Three-bedroom units had the lowest vacancy rates in Northglenn/Thornton likely due to large household sizes. Newer units also had lower vacancy rates and units built in the 1970s and 1980s had the highest vacancy rates. Overall, the data indicates two types of market demand which includes persons looking for affordable housing and persons willing to pay more for newer units.⁷

Private industry is likely to fill any need for newer rental housing that is not required to be affordable if it identifies a gainful opportunity. Affordable rental housing, however, will require the City to be proactive in garnering partnerships with housing authorities, developers and nonprofits, as recommended above. Once the City successfully gains more affordable rental housing, the City should reassess the vacancy rates by conducting another apartment phone survey.

C. Home Ownership Rate

Since 1990, Thornton has become a community with a high proportion of homeowners. The largest proportion of owner-occupied housing stock in Thornton was constructed in the 1990s. Construction of owner-occupied units continued in the early portion of this decade but has since slowed. According to the U.S. Census Bureau, 70 percent of housing units were occupied by owners in 1990; in 2007, 77 percent of housing units were occupied by owners. Since 2007, the credit crunch has somewhat dampened home ownership opportunities and non-credit consumers will continue to have difficulties refinancing mortgages, purchasing homes, and utilizing their home equity in the near future. More stringent underwriting is requiring higher down payments, better credit scores, and a lower debt-to-income ratio. Therefore, it is likely that the housing bubble-induced increases in homeownership rates will flatten both nationally and locally.

Most of the single-family neighborhoods in the City contain some homes that are used as rental properties. These homes provide additional housing choice in Thornton. However, it is important that rental properties do not dominate any one neighborhood. Newer units constructed in the 1990s and in the early part of the 2000s have primarily been for-sale units. Conversely, some older units in the southern portion of Thornton have converted to rental units and new multifamily rental units have been constructed along the I-25 corridor and other major arterials within the City.

Problems can arise in neighborhoods with high rental rates when landlords do not make needed repairs or address tenant issues before they become a problem. The City does not have a rental code or other means of regulating rentals other than the standard enforcement of nuisance codes that applies to all properties. The City should monitor neighborhood conditions and utilize the programs and tools discussed in *Chapter 3: Revitalization and Preservation of the Housing Stock* if deterioration becomes a problem.

Maintaining a high level of owner-occupied housing is also important because home ownership provides a strong foundation for both families and neighborhoods. Home ownership contributes to the financial stability of families by providing reliable housing costs and enabling families to begin building financial assets. The financial assets provided by home ownership can be used to move into a larger home as family needs change, to finance children's college education, or to start a business. Home ownership also provides social stability for families and neighborhoods, academic stability for students and schools, and a stable population for city governments.

The City works closely with agencies such as the Colorado Housing and Finance Authority (CHFA) and the Adams County Housing Authority (ACHA) to provide assistance programs for renters to become homeowners. Additionally, the City can help first-time homebuyers leverage financing by combining the federal Homebuyers Tax Credit with the City's Private Activity Bond (PAB) allocation. PAB funds mortgage revenue bonds to provide below-market interest rate mortgages as well as down payment assistance to low- and moderate-income homebuyers. Both of these financial tools are discussed in further detail below.

D. Wages vs. Housing Costs

Thornton's top employment sectors include retail trade; health care and social assistance; administrative support and waste management and remediation services; educational services; and accommodation and food services. **Exhibit 4.3** shows housing occupation by affordability based on 2008 average salaries obtained from the Colorado Department of Labor. As evident by the affordable home prices, it would be difficult for a single-earner household in these professions to attain homeownership in Thornton.

Exhibit 4.3: Affordable Home Purchase Price and Rent Per Average Annual Salary				
Occupation	Employment	Average Annual Salary	Affordable Monthly Rent	Affordable Home Purchase Price*
Retail Trade	5,251	\$28,233	\$ 706	\$88,000
Educational Services	5,245	\$34,752	\$ 869	108,000
Accommodation & Food Services	3,325	\$14,047	\$ 351	None
Health Care & Social Assistance	3,302	\$34,752	\$ 869	\$108,000
Administrative Support	2,188	\$28,947	\$ 724	\$ 90,000
Construction	1,302	\$42,117	\$1,053	\$131,000
Information	965	\$62,676	\$1,567	\$195,000
Other Services	812	\$30,701	\$ 768	\$ 96,000
Professional Services	695	\$54,337	\$1,358	\$169,000
Real Estate	544	\$29,022	\$ 726	\$ 90,500
Finance & Insurance	534	\$40,072	\$1,002	\$125,400
Wholesale Trade	522	\$85,662	\$2,142	\$267,500
Management of Companies	350	\$64,686	\$1,617	\$202,000
Manufacturing	274	\$49,477	\$1,242	\$155,000
Transportation & Warehousing	229	\$40,417	\$1,010	\$126,000
Arts & Entertainment	221	\$17,073	\$ 427	None

Source: Colorado Department of Labor (2008 Wages)

*Assumes a 6.0% interest rate with a 5.0% down payment, includes PMI and 2.0% for taxes and insurance. Affordable rent and purchase price is calculated so that housing cost does not exceed 30% of annual salary

E. Foreclosure

During the last decade, homeownership became an unprecedented reality for many Americans as a result of imprudent lending practices that made otherwise unaffordable homes seem viable. Lending practices utilizing subprime loans and customized mortgage pricing increased homeownership rates in the U.S. starting in 1995.⁸ However, these subprime mortgages, for which qualification was easier, eventually placed the borrowers at greater risk for foreclosure as scheduled interest rate adjustments were made. Rates of potential default paralleled increases in homeownership, and foreclosure rates began rising in 2005. In 2006, the number of U.S. households with housing costs comprising more than 30 percent of income reached a historic high of 37.3 million households.⁹

Today, foreclosure is one of the critical issues facing the nation and has correspondingly been a problem in Thornton since the mid-2000s. Foreclosures both contribute to, and result from, the housing bust and continuing economic recession. The presence of pre-foreclosure and foreclosed homes on the market

has contributed to instability in the marketplace. The volume of foreclosures is impacting lenders, market inventory, home prices, and the availability of mortgages to less qualified borrowers.

National Projections

As home prices continue to decline, financially distressed homeowners are questioning whether they should continue paying their mortgage, allow their property to be foreclosed, or pursue a short sale. Despite a slight rebound in home prices in the last months of 2009, economists predict that prices will fall again due to resurgent foreclosures. National estimates predict 2.4 million foreclosures in 2010, while home prices fall another 5 to 10 percent (Zandi 2009). The surge is expected because lenders have delayed the foreclosure process while waiting for the complete Obama administration anti-foreclosure plan roll-out. However, analysts indicate that many of the troubled homeowners will not qualify for help under the administration's plan, and a backlog of bad loans will enter foreclosure.¹⁰

Thornton

In March 2009, a Thornton resident telephone and online survey was conducted for the Housing Needs Assessment which indicated that 25 percent of the 146 online respondents and six percent of the 383 telephone respondents were worried about their homes going into foreclosure. Almost half of the online respondents indicated that they had already missed several mortgage payments due to the type of loan, such as adjustable rate mortgage products, job loss or divorce/separation.



A foreclosed/vacant HUD home in Thornton

Monthly data from Metrolist, Inc. on the number of foreclosure petitions in Thornton from July 2006 through December 2009 is shown in **Exhibit 4.4**. This data represents the point at which the legal foreclosure process begins. The foreclosure sale is the actual point at which the foreclosure process is completed. Foreclosure sale data for Thornton was unavailable and is therefore not included in this report. Some filed foreclosures do not proceed all the way through the foreclosure process, therefore the total number of completed foreclosures would likely be smaller than indicated in **Exhibit 4.4**. The data indicates a substantial increase in petitions starting in March 2007 with varying, but continually high, rates. The last few months of 2009 indicated a decline approaching the lower 2006 rates. This may be due to the City's aggressive foreclosure prevention campaign initiated in 2007. However, if the 2010 predictions for a national foreclosure surge affect Thornton, rates could go back up again.

Exhibit 4.4: City of Thornton Real Estate Data - Number of Foreclosure Petitions

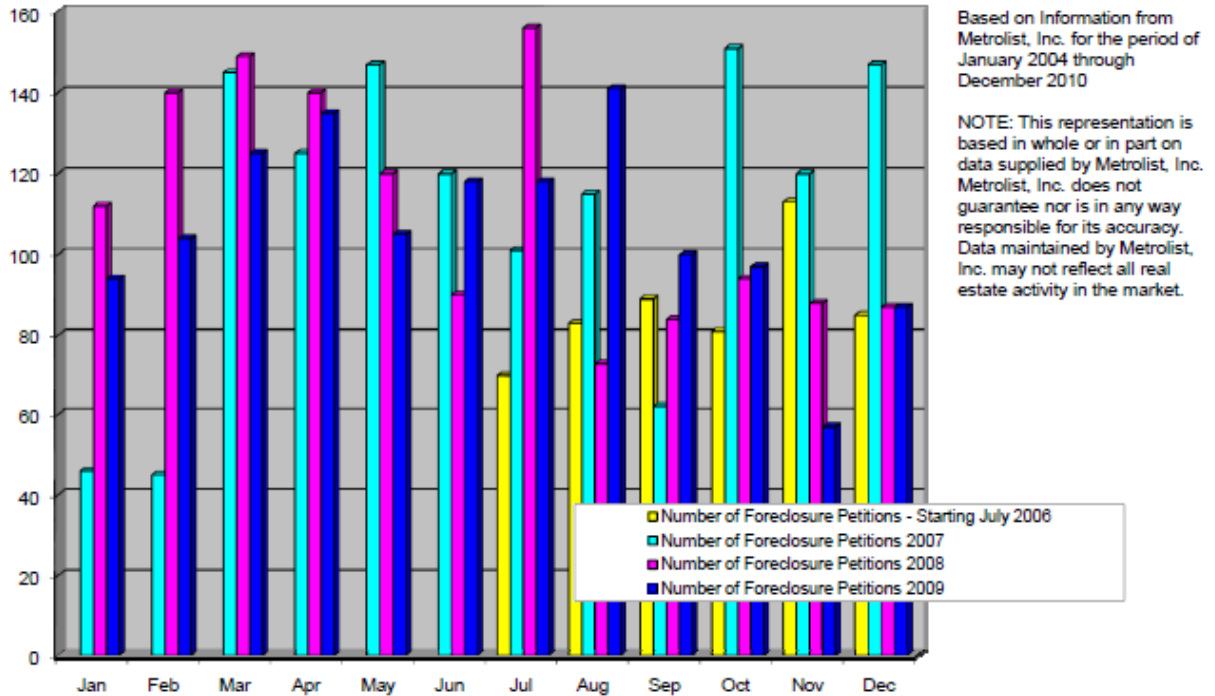
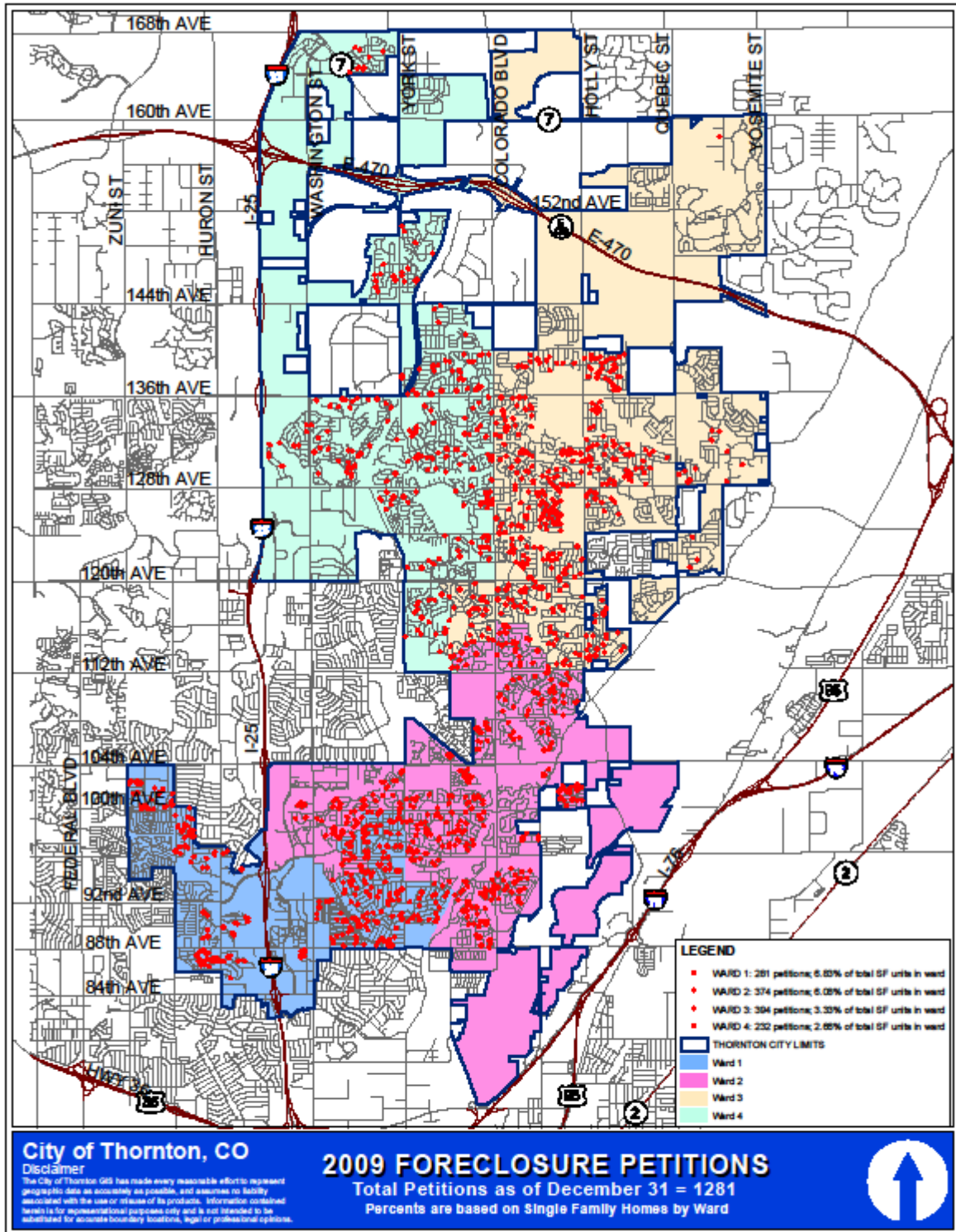


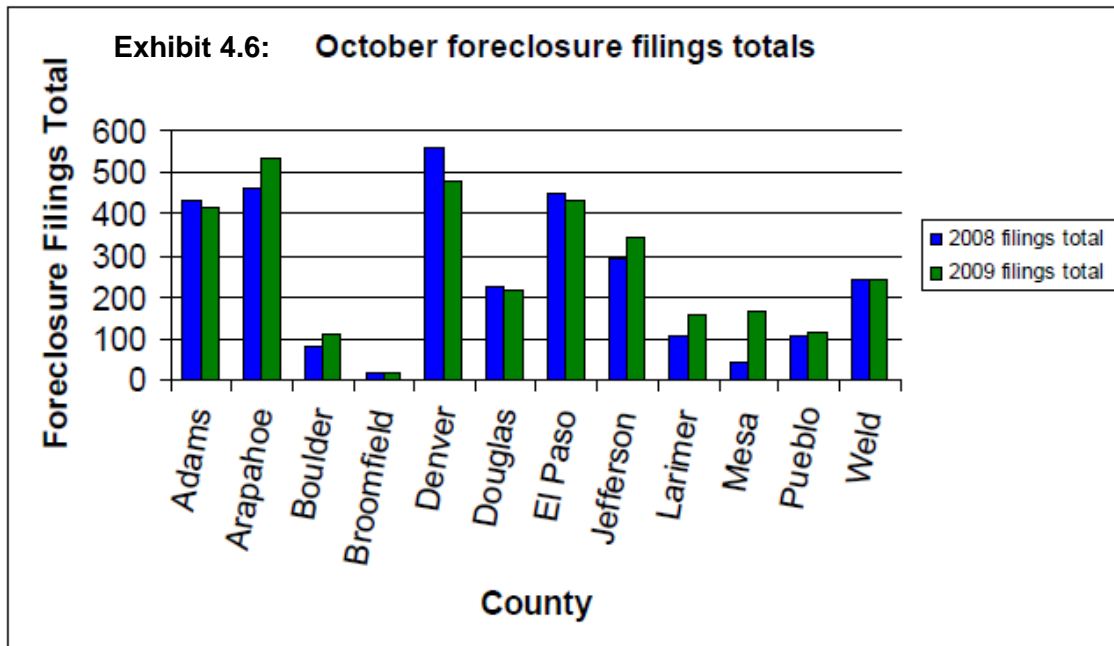
Exhibit 4.5 shows total 2009 foreclosure petitions by location in Thornton. As a percentage of total single-family units, the southern portion of the City had the highest prevalence of foreclosure filings affecting 6.83 percent of total single-family units in Ward 1 and 6.08 percent of total single-family units in Ward 2.

Exhibit 4.5: 2009 Foreclosure Petitions

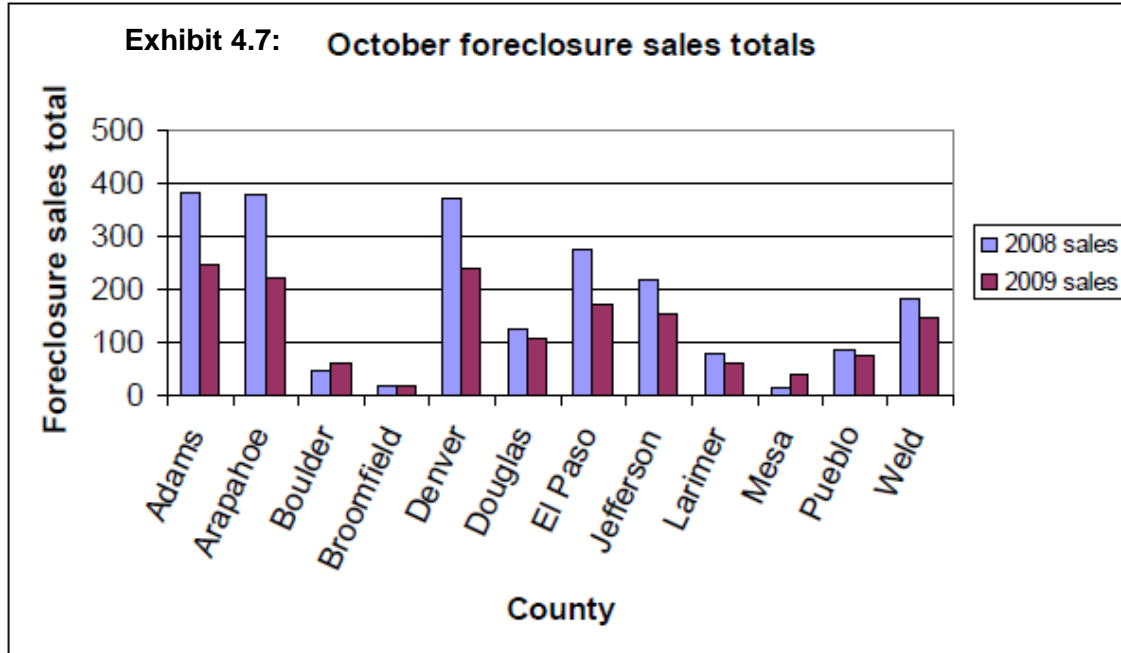


Colorado’s housing bubble burst earlier than other parts of the nation and as a result, Colorado had the highest foreclosure rate in the country in 2006 and ranked second in 2005. In 2007, Colorado began requiring a state license for mortgage-brokers, regulating the industry and banning a number of injurious practices. Banks are now required to refer homeowners to state-funded foreclosure-counseling agencies which can suspend a foreclosure for up to 90 days in order to renegotiate payments. Although statewide foreclosure filings declined only slightly in 2008 after the new regulations were in place, over 4,000 Colorado homes were saved as a result of counseling.¹¹

As of early 2010, Adams County still has one of the highest foreclosure rates in the state. However, a comparison of foreclosure filings and sales in Adams County between October 2008 and October 2009 showed a decline, while totals rose in many other Colorado counties, as shown in **Exhibits 4.6** and **4.7**.



Source: Monthly Metropolitan Foreclosure Report, October 2009 Colorado Department of Local Affairs – Division of Housing



Source: Monthly Metropolitan Foreclosure Report, October 2009 Colorado Department of Local Affairs – Division of Housing

Neighborhood Effects of Foreclosure

Foreclosure prevention serves more than just the individual homeowner. The costs associated with foreclosures include costs to the defaulting homeowner, the lending institution, and negative externalities (social costs) in the neighborhood of the foreclosed property. Studies show that foreclosures negatively impact the nearby housing market. A foreclosure within 250 feet of a sale can depreciate the selling price, and the effect on the neighborhood can last for up to five years after the foreclosure.¹² Neighborhood quality may decrease as residents with declining equity forego routine maintenance. Additional foreclosures may be triggered because the negative externalities lower the put-option value of neighboring properties. Due to the importance of foreclosure prevention, it is recommended that the City continue to expand its existing Foreclosure Prevention Campaign, which is discussed in further detail later in this chapter.

F. Affordability-Related Housing Issues

Homelessness

The most recent data on homelessness comes from the Denver Metropolitan Area 2009 Homeless Point-In-Time Study, which was the ninth Homeless Point-in-Time Study conducted by the Metropolitan Denver Homeless Initiative (MDHI) since 1998. The data for the survey was exported from the computerized Homeless Management Information System (HMIS) for persons who were considered homeless on the specific date of January 27, 2009.

Homeless data was calculated by MDHI for Adams County, but not Thornton specifically. The study revealed that Adams County's homeless population was 1,205, which was 10.9 percent of the total 11,061 homeless persons identified in the seven-county Denver metropolitan area on January 27, 2009. A total of 497 chronically homeless persons were identified in the study, of which 18, or 3.6 percent, were counted in Adams County. Ninety-eight (8.1 percent) of the 1,205 homeless persons counted in Adams County indicated that they spent the previous night in Thornton. This is a decline from the last MDHI Point-in-Time Study for Adams County which occurred in 2007 and estimated that 173 homeless persons spent the pre-survey night in Thornton. However, MDHI used a different data collection methodology in 2009 from the 2007 survey and disclosed limitations in comparing 2009 results to previous studies. The limitations are due to inconsistencies in how certain variables could be analyzed and reported. Therefore, the City should consider both 2007 and 2009 data.

Thirty-eight percent of Adams County respondents indicated that Adams County was their last permanent address compared to a significantly higher 80 percent of those surveyed in 2007. This substantial decline may be due to the aforementioned methodological inconsistencies. However, it may also indicate that fewer people who became homeless while in Adams County remained in Adams County, while the majority arrived from other counties such as Denver County (32 percent) and Arapahoe County (14 percent).

The survey results indicate that homeless individuals in Adams County are most likely to be either adults between the ages of 18 and 54 (54 percent) or children under the age of 12 (33 percent); white (57 percent); and female (54 percent). The majority of respondents had no disability and were not veterans. Adams County respondents cited inability to pay rent/mortgage (19.4 percent), unemployment (16.3 percent), and relationship problems/family break-up (9.5 percent) as the most frequent reasons for their homelessness.

Although the 2009 data may indicate a decline in homelessness in Thornton, the City should continue to explore options for further alleviating homelessness. To achieve this, the City will need to increase access to housing and support services for the homeless or near homeless population. This may be accomplished in a number of ways:

- Provide monetary and non-monetary support to local homeless shelters and emergency rent and utility assistance programs.
- Continue to market the free foreclosure prevention assistance offered through ACHA and the Colorado Foreclosure Hotline.
- Implement outreach and marketing efforts to increase resident awareness of financial assistance available to residents for meeting their basic needs, including Spanish speaking households.
- Host foreclosure prevention classes in Thornton.
- Support the Adams County Homeless to Home Partnership and other regional efforts to help residents in need of assistance.

Senior Housing

The older adult population of Thornton will reach almost 30,000 by 2020 due to the aging of the baby boomer generation. Availability of affordable senior housing options and financial assistance for home repair and rehabilitation will become increasingly necessary.

2007 Census data indicated that seniors comprised 50 percent of Thornton households earning less than \$10,000 per year and 36 percent of households earning between \$10,000 and \$20,000 per year. According to Comprehensive Housing Affordability Strategy (CHAS) data, in 2000, 52 percent of the City's elderly households, or 1,107 households, were cost burdened. Elderly who owned their homes were much less likely to be cost burdened: 42 percent of owners versus 90 percent of renters spent more than 30 percent of their incomes on housing costs in 2000. Recent recessionary problems and the expanding elderly population have likely increased the total number of cost burdened seniors since the 2000 CHAS. These low-income and cost burdened seniors face a wide range of housing issues, including substandard housing, a need for modifications due to physical disabilities, and lack of affordable housing stock.

HUD's 1999 Elderly Housing Report provides the latest national data available on seniors living in housing in need of repair or rehabilitation. HUD reported that six percent of seniors nationwide lived in housing that needed repair or rehabilitation. The consultants for the City of Thornton 2010-2015 Five-Year Consolidated Plan applied this rate to Thornton, estimating that as many as 397 elderly residents (six percent of the City's elderly population) were likely to live in substandard housing in 2007. However, given Thornton's aging housing stock and the prevalence of seniors living in these older homes, it is likely that this percentage is even higher. Seniors with low and/or fixed-incomes are often financially unable to make needed repairs and improvements. Currently, a number of programs are available to help Thornton seniors with repairs and modifications, as described in *Chapter 3: Revitalization and Preservation of Housing Stock*. The City will need to continue coordinating new programs and partners in order to meet the growing need for these services.

Currently, two local organizations provide assistance that can enable Thornton seniors to remain in their home:

- The Senior Hub is a senior services agency offering support and referral to older adults. A variety of senior programs are offered for Thornton residents, which include adult day service, Meals on Wheels, respite and in-home care, tax counseling and Senior Solutions program. The Senior Solutions program provides resource information, counseling, and problem solving in areas such as housing, food, advocacy, health care and emergency assistance.
- Total Longterm Care is a nonprofit in-home services and medical care program whose mission is to enable frail individuals to live with dignity in

their own homes and communities. They coordinate a full range of in-home services for seniors, primarily on Medicaid, including medical and therapeutic care, and transportation to and from day/health centers.

Seniors who cannot keep their current home will need assistance finding affordable, supportive housing in Thornton. *Chapter 2: Housing Diversity* addresses the current housing options for seniors. However, only Orchard Hill Senior Apartments currently offers dedicated affordable apartment housing for individuals 55 years and older. Orchard Hill has a total of 88 units and is part of the Affordable Housing Program Section 42 (Tax Credit) of the Internal Revenue Code. The City may want to address the growing need for affordable senior housing options by identifying potential partners who could assist with the development of low-income housing, both private and public.

Housing and Transportation Cost Burden

Affordable housing policy should work in concert with transportation policy. Families who live in Thornton because housing is affordable but work outside of the City have higher transportation costs. Low- and moderate-income families are often saddled with the combined cost burden of housing and transportation. A 2006 study by the Center for Housing Policy found that working families earning between \$20,000 and \$50,000 in Denver were spending an average of 29 percent of their income on housing and 29 percent on transportation, for a combined family income burden of 58 percent.¹³ Among all income levels nationwide, the study found that housing and transportation consumed a slightly smaller share of income at an average total of 48 percent, but still constituted the two largest expenses. Although the report did not examine Thornton specifically, the combined housing-transportation cost burden can be expected to be within this range.

Locating affordable housing near public transit options, or ensuring that reliable transit options are available near affordable housing can help reduce transportation costs. In this regard, the City should assess whether existing affordable housing such as multifamily, senior and manufactured housing stock is readily accessible to bus stops. Currently, the Regional Transportation District (RTD) operates the call-n-Ride program which provides service to two designated southern and northern areas of the City. Within these service areas, residents can be picked up for free from anywhere within the defined area and taken to a bus stop within that defined area. Future residential development that incorporates an affordable housing component should be coordinated with RTD to ensure adequate bus stop locations or call-n-Ride services. Additionally, the City can require a percentage of affordable housing units in future transit-oriented developments near the FasTracks North Metro Corridor rail line, as discussed in *Chapter 5: Housing and Neighborhood Design*. Such location-efficient developments would substantially reduce the housing-transportation cost burden.

It is also important that the City conduct community outreach to educate residents on the transit options available to them. The City's Neighborhood Services Division has worked with the manufactured home community residents to educate them on how to use available transit options. Expanding this education to other low-income residents and posting information on the City's website may be an easy and effective policy to implement. The City can also encourage car sharing by directing residents to programs that facilitate this option. Neighborhoods can also be encouraged to participate in the RTD Neighborhood Eco Pass program. Through this program, members of participating households receive a discounted annual transit pass purchased by a neighborhood organization.

G. Fair Housing

This section reviews fair housing complaints in the City of Thornton received by HUD in compliance with the Fair Housing Act for the years 2004 through 2009.

Fair Housing Laws

The City supports a fair housing policy that requires equal access to rental housing and homeownership opportunities. State and federal fair housing laws are the primary acts that govern fair housing in Thornton.

Federal Fair Housing Act

The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 with the Fair Housing Amendments Act of 1988, is administered and enforced by HUD. The Fair Housing Act prohibits discrimination, based on race, color, religion, national origin, gender/sex, disability and familial status, in the sale, rental or financing of housing, as well as land use, zoning, and any housing advertisements or statements. Excluded from the Act are owner-occupied buildings with no more than four units, single-family housing units sold or rented without the use of a real estate agent or broker, housing operated by organizations and private clubs that limit occupancy to members, and housing for older persons. HUD investigates the complaints it receives and determines if there is a "reasonable cause" to believe that discrimination occurred.

Colorado Anti-Discrimination Act – Housing Practices

Colorado Statute Title 24, Article 34, Part 5 – Housing Practices, covers the same protected classes listed in the Federal Fair Housing Act, as well as three additional classes: ancestry, marital status, creed and sexual orientation. The Colorado law covers all residential property and land intended to be used for housing, including many properties exempted under the Federal Fair Housing Act. The Colorado Civil Rights Division (CCRD) has the authority to enforce the law. CCRD maintains formal work-sharing agreements with HUD and, through this relationship, has the authority to investigate and resolve housing discrimination complaints. CCRD has exclusive jurisdiction in situations in which Federal antidiscrimination laws do not apply.

CCRD also receives funding from HUD's Fair Housing Assistance Program (FHAP). FHAP permits HUD to use the services of substantially equivalent state and local agencies in the enforcement of fair housing laws, and to reimburse these agencies for services that assist in carrying out the spirit and letter of the federal Fair Housing Act.

Complaint Process

The City refers residents with fair housing concerns to appropriate organizations. Residents of Thornton who have experienced possible discrimination in violation of the Fair Housing Act or State fair housing laws are directed to report their complaints to HUD's Office of Fair Housing and Equal Opportunity (FHEO), the Colorado Civil Rights Division (CCRD), or the Colorado Division of Real Estate. In applicable cases, residents may also report their complaint to the Colorado Cross Disability Coalition, Colorado Legal Services and the Legal Center for Persons with Disabilities and Older People.

Civil matters are referred to Colorado Legal Services, Denver Bar Association, University of Denver Sturm College of Law and/or mediation/City court. Tenant/landlord dispute inquiries are referred to Community Housing Services.

Fair Housing Complaints

In 2009, the City of Thornton Neighborhood Services Division contracted with BBC Research & Consulting (Consultant) to conduct an Analysis of Impediments (AI) for the City. The AI is a review of impediments to fair housing choice in the public and private sector and is required by HUD for the City to receive federal housing and community development block grant funding. The findings of the AI, displayed in **Exhibit 4.8** indicate that a total of nine complaints were filed with HUD by Thornton residents between 2004 and August 12, 2009.

Exhibit 4.8: Thornton Resident Complaints Filed with HUD

Year	Complaints Filed
2004	3
2005	0
2006	2
2007	1
2008	2
2009 (through August 12, 2009)	1

Total	9

Source: HUD's Denver Regional Office of Fair Housing Opportunity (FHEO)

The principal bases for these complaints were physical disability and Hispanic ethnicity. **Exhibit 4.9** shows the specific reasons that complaints were filed.

Some cases include multiple reasons and therefore total more than nine complaints.

Exhibit 4.9: Reasons that Fair Housing Complaints were Filed		
Reason for Complaint	Complaints Filed	Bases
Discriminatory terms/ conditions/privileges, or services and facilities	3	Hispanic and Physical Disability
Discriminatory refusal to rent	2	Physical Disability
Failure to make reasonable modification	2	Physical Disability
Discrimination in terms/conditions/privileges relating to rental	1	Hispanic
Discrimination in terms/conditions/privileges relating to sale	1	Black and Female
Discrimination in the making of loans	1	None
Discriminatory acts under Section 818 or equivalent provision of the state or local agency's statute	1	Black and Female
Failure to permit reasonable modification	1	Physical Disability
Total	12	

Source: HUD's Denver Regional Office of Fair Housing and Equal Opportunity (FHEO)

Complaint evidence suggests some real estate companies are ignorant of and/or do not comply with fair housing laws. It also indicates that residents accessing the more affordable housing market are more susceptible to discrimination. Approximately half of the complaints were filed against apartment buildings and the other half were filed against homeowners' associations. Neighborhood Services can continue to request reports from HUD to assess the level of housing discrimination in the City and determine if corrective action is needed.

Fair Lending

The Consultant also found that residents in certain areas of the City may have trouble obtaining home mortgages. Denial rates on mortgage loans are higher in the southern parts of the City where minority and lower-income populations tend to live. The higher denial rate for minorities does not necessarily indicate fair housing problems which can be explained, in part, by minorities having lower incomes than non-minorities. It is possible that credit histories vary among applicants with different racial/ethnic characteristics. Without a detailed analysis of each applicant (such data is unavailable in the HMDA records due to

confidentiality), it is unclear if the reason for the difference is due to variables other than income that are considered in making the lending decision (e.g., credit history, debt to income ratios) or if discrimination in lending could be occurring. The inability of these residents to secure home mortgage loans may indicate a trend of disinvestment in the area.

H. Existing Affordable Housing Programs

Affordable Multifamily Rental Programs

In 1974, Congress enacted legislation creating the Section 8 program. The Section 8 program provides housing subsidies in the form of "tenant-based" and "project-based" assistance. The project-based Section 8 program, operated by HUD, provides low-income families with access to subsidized units. The properties are privately owned and managed.



Aztec Village Apartments offers affordable rental units.

Residents pay no more than 30 percent of their income on rent with the HUD subsidy covering the gap between affordable and market rent.

Eligible Thornton residents receive Section 8 Housing Choice Vouchers from the Adams County Housing Authority (ACHA). Currently, 391 of Adams County's Vouchers are used by Thornton residents. Additionally, in Thornton, there are 875 Low Income Housing Tax Credit (LIHTC) units, 11 home rent restricted units and 293 Project Based Section 8 units. There are also a number of privately owned multifamily complexes that are LIHTC, accept Section 8, or fall under the HUD rental income guidelines. At this time, Thornton does not have any public housing units. The majority of the affordable apartments are located in the southwestern portion of the City.

Adams County Housing Authority (ACHA)

Potential homeowners and renters in Thornton can access affordable housing through ACHA. ACHA's goal is to provide individuals, families, seniors and persons with disabilities throughout all of Adams County with quality, affordable housing options while supporting their efforts to achieve economic self-sufficiency. While ACHA's programs offer unique housing opportunities to low-income individuals, many barriers, including funding, prevent the eradication of

all affordable housing problems. The following programs are offered through the Adams County Housing Authority:

- The Home Ownership program provides a loan to first-time homeowners for down payment and closing costs, which are common obstacles to home ownership. The loan is considered a second mortgage with no monthly payments required. The obligation is repaid at the time the home is sold. However, because a portion of the loan is forgiven each year, after a specified time the loan is completely forgiven. A component of the program is an educational workshop covering the steps to purchasing a home, money management, and the responsibilities of home ownership.
- ACHA provides financial assistance for rent/mortgage and/or utility assistance for county residents. Each household who receives assistance is provided with counseling through ACHA's Housing Counseling department.
- The Housing Choice Voucher program, commonly referred to as Section 8 Housing, provides federally subsidized rental assistance to persons with low-incomes who wish to live in private market homes but cannot afford market rental rates. The objective of the program is to provide affordable, decent, safe and sanitary housing for eligible households while increasing their residential mobility and choice.
- Home Equity Conversion Mortgage provides assistance to seniors. The program enables seniors to access their home equity without selling their home. Homeowners may choose to receive payment in a lump sum, a line of credit, monthly payments or any combination thereof. The loan becomes due when the homeowner sells or moves out of the property.
- The Family Self-Sufficiency program (FSS) is a program designed to assist Section 8 recipients and public housing families break their dependency with public assistance programs and achieve economic self-sufficiency by integrating existing public and private resources into a personal development plan. Assistance is provided in the areas of housing, childcare, job training and employment, tuition assistance, clothing allowance and transportation.
- The Housing Counseling program offers a full range of services to individuals and families designed to assist them in resolving their housing-related issues and help them understand the responsibilities of tenancy and homeownership. Areas of counseling include the following:
 - Foreclosure intervention - Mediation assistance, money management and budgeting, negotiating assistance, refinancing assistance, and loss mitigation options for all types of mortgages including: FHA, VA, Conventional, and sub-prime. Loss mitigation efforts include: repayment plans, forbearance plans, loan modifications, short-sale options and deed in lieu of foreclosure.

- Foreclosure mitigation workshops are free of charge and open to the community throughout the month. Clients learn about Colorado's foreclosure timeline, ways to cure a default, disposition strategies, how to talk to the lender, financial strategies and implications of short-sales and foreclosure. These workshops are in both English and Spanish.
- Pre-Rental Open Market provides counseling on affordable housing options, security deposits, location, lease and rental agreements, and tenant/landlord responsibilities.
- Rent Delinquency provides qualified financial assistance through grant or loan funds, mediation with landlord, money/debt management, and ongoing supportive counseling services.
- Displacement and Relocation provides counseling on rights of renters and owners faced with displacement, rights and responsibilities of the entity causing the displacement, relocation benefits and assistance in locating alternative housing.
- Money Management provides counseling and review of the client's income and expenses, determination of how the client spends money, creation of a household budget, debt management, cost of credit, shopping for loans/credit, types and cost of insurance, saving for down payments, review of credit profile and referrals to legal services.

Foreclosure Prevention Campaign

The City implemented a foreclosure marketing campaign in 2007. The goal was to provide residents with information on free foreclosure assistance available throughout the metro area. This included the Colorado Foreclosure Prevention Hotline and referrals to Adams County Housing Authority's HUD-certified housing counseling division. The City continues to make information available to residents through the following efforts:

- Posters with foreclosure prevention information placed at bus shelters
- Free service and contact information at the "Thornton Cares" resident assistance program webpage link
- Link articles written by staff on various topics on foreclosure prevention
- Posting flyers with contact information throughout key areas in the City
- Hosting Foreclosure Prevention workshops conducted by Adams County Housing Authority
- Articles in Inside Thornton, Northglenn-Thornton Sentinel, YourHub.com, Facebook, Twitter
- Distribution of flyers via utility billing mailers
- Information posted on the City's website and on the community calendar
- Flyers advertising free assistance for renters who may be evicted from foreclosed homes (in collaboration with Adams County Housing Authority)
- Distribution of flyers at festivals, housing fairs, resource fairs, ward meetings, City counters, and at local community gathering locations
- Interview segment run on the local cable station Channel 8

- Promotion of other foreclosure townhalls hosted by outside agencies such as Colorado Division of Housing or housing fairs
- Continued phone referrals and information to residents

2010 efforts will include many of the above items but will also include either new or expanded efforts as follows:

- Workshop development for foreclosure recovery and preparing for home ownership after foreclosure
- New outreach for information on mortgage fraud and scams
- Advertisements in local newspapers about home ownership and foreclosure workshops held in Thornton

Emergency and Transitional Housing Assistance

The City works with homeless service providers that serve Adams County residents to access funding opportunities for homeless services and permanent supportive housing. The Homeless to Home Partnership is comprised of non-profit organizations, public agencies, churches, businesses, local governments and community leaders. The purpose of the partnership is to eradicate homelessness in Adams County through shared responsibility and community engagement. Success of the partnership is directly dependent on the agencies who are administering the various program initiatives. The City will continue to participate in both local consortia and local nonprofit organizations in an effort to keep abreast of community development activities and needs in the community.

There is one emergency shelter located in Thornton operated by a domestic violence organization that provides shelter and support services for women, children and their pets. Additionally, the Renaissance 88 apartment complex operated by the Colorado Coalition for the Homeless in Thornton provides transitional housing and services for recently homeless individuals and families. There are also eight other facilities throughout the Denver region that serve homeless residents needing immediate housing.

I. Financial Tools

The City of Thornton has several funding sources available to increase the supply of affordable housing in the City.

Community Development Block Grant and Housing

The Community Development Block Grant (CDBG) was established through the Housing and Community Development Act of 1974. The primary purpose of the CDBG program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. HUD provides annual grants on a formula basis to entitled metropolitan cities and urban counties. Each year Congress appropriates a total amount for the nation's CDBG

funds. Each entitlement receiving CDBG funds is free to determine what activities it will fund as long as the use benefits low- and moderate-income persons; aids in the prevention or elimination of slums and blight; or is used for other urgent needs such as a national disaster.

Since 1986, the City has entered into a series of Intergovernmental Agreements (IGAs) with Adams County in order to participate in an Urban County Consortium to receive CDBG funds distributed to the County and its member cities. Starting in March 2010, however, the City will become its own entitlement community. Becoming an entitlement community means that HUD will release the funds directly to Thornton and require the City to provide the administration and oversight of the funds. Thornton’s Neighborhood Services Division will be the lead agency administering the CDBG program.

Exhibit 4.10: Annual CDBG Funding Allocations and Projects 1999 - 2009

History of CDBG Funding YEAR	ALLOCATION
1999	\$478,574
2000	\$483,883
2001	\$535,326
2002	\$502,466
2003	\$540,841
2004	\$629,242
2005	\$546,443
2006	\$495,770
2007	\$544,282
2008	\$530,228
2009	\$530,000

Annual CDBG funding allocation amounts vary, as shown by the 10-year overview in **Exhibit 4.10**. However, during the entitlement period of 2007 – 2009, Thornton received approximately \$530,000 - \$544,000 annually and used the funding for the following projects:

1. Housing Activities

- Homeowner Housing Rehabilitation
The program provides minor and major home repairs for income eligible homeowners through either grants, or low-cost loans. Adams County Office of Community Development administers the program.
- Volunteer & Emergency Home Improvement
The program provides free minor home repairs to low-income seniors or disabled homeowners through the Help For Homes Program and Rebuilding Days.

2. Infrastructure Activities

- Streetscape Improvements

A multi-year project that provides improvements to the physical condition of a low- and moderate-income area by providing new water-wise landscaping. The targeted areas are Eppinger Blvd and Hoffman Way.



Prior to streetscape improvements



After CDBG-funded streetscape improvements

- Accessibility Improvements

A multi-year project that provides improvements to increase accessibility for handicapped people and to facilitate access to bus stops, schools and other public facilities.

- Fire Protection Improvements

The City installed three new fire hydrants and connected the existing fire hydrants to separate water line connections at Thornton Mobile Estates.

- Bus Stop Improvements

This project provided concrete slabs for eight bus stops along Washington Street in the areas that only had a sidewalk or dirt area for citizens to stand in while waiting for the bus.

3. Public Service

- Adams County Housing Authority (ACHA) Foreclosure Prevention

This project funded expanded foreclosure services. These included workshops and one-on-one counseling sessions to Thornton families and individuals at risk of losing their home due to foreclosure.

- Neighborhood Association Development Project

This project was administered by the Community Resource Center. The purpose of the project was to improve the quality of life for low- and moderate-income Thornton citizens by addressing community development needs through the creation of neighborhood groups.

4. Public Facility

- Neighborhood Improvement Project

This was a 2009 pilot project that offered opportunities for residents to become more proactive in their own neighborhoods. A group of residents within a neighborhood could apply for funding of eligible small-scale neighborhood projects that improved the neighborhood. One

neighborhood received drainage improvements in the right-of-way behind their homes.

- Clinica Campesina
The project funded new dental medical equipment for the clinic.

HOME Investment Partnerships Program

- The HOME program is designed to work in partnership with local nonprofits, developers, Community Housing Development Organizations (CHDOs), property managers and local governments to fund activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership. The purposes of the HOME program are:
 - Expand the supply of affordable, decent, safe and sanitary housing.
 - Preserve and improve residential areas through rehabilitation of existing housing.
 - Strengthen public-private partnerships to further affordable housing development.
 - Promote the development of CHDOs and their role as affordable housing developers and sponsors.
 - Provide gap financing that will make housing development feasible with costs affordable to low-income residents.

Eligible applicants with qualifying projects located in Thornton can apply to the state for available funds for the use of HOME monies.

Private Activity Bond Allocation

Each year the City receives an allocation of Private Activity Bonds (PAB) from the federal government. PABs are tax-exempt bonds designed to offer low-cost financing to private sector borrowers for projects that create jobs and expand the tax bases of local communities. PABs may be used to finance a broad array of community development projects including housing, manufacturing, higher education, infrastructure and environmental projects.

In the past few years, the City transferred the allocation to ACHA for multifamily housing acquisition and/or rehabilitation bond financing or to the Colorado Housing Finance Authority (CHFA) for mortgage-revenue bonds to finance mortgages for first time homebuyers.

Colorado Housing and Finance Authority (CHFA)

In 2009, the Thornton City Council allocated \$5 million in PABs to fund home ownership assistance through CHFA. This funding enables qualified Thornton homebuyers to receive low-interest mortgages and cash assistance for down payment and closing costs. These funds are available on a first-come first-serve basis. All borrowers are required to complete a free homebuyer education course before purchasing a home. Through these classes, citizens can gain insight into

selecting a real estate agent and lender, financing a home, choosing a mortgage and understanding loan interest rates.

CHFA also created a new program in 2009 that would provide immediate benefit to homeowners. The program is a statewide Mortgage Credit Certificate (MCC) Program. CHFA has set aside MCCs for homes purchased in Thornton in an amount equal to the 2009 PAB allocation that the City transferred to CHFA.

Mortgage Credit Certificate Program

The Mortgage Credit Certificate (MCC) Program offers the first-time homebuyer a federal income tax credit. This credit reduces the amount of federal taxes the holder of the certificate would pay. It can also help the first-time homebuyer qualify for a loan by allowing a lender to reduce the housing expense ratio by the amount of tax savings.

MCCs allow first-time homebuyers to take 20 percent of the annual mortgage interest they have paid as a credit against their federal tax liability and take the remaining 80 percent of the interest as an itemized deduction for as long as the home remains their primary residence.

General Fund

Through the Thornton Assistance Funds program, the City allocates general fund monies to nonprofit organizations that serve Thornton residents. The Thornton Assistance Funds (TAF) are used to help Thornton residents and families meet their basic needs, enhance their ability to be self-sufficient, and improve the quality of life in Thornton neighborhoods. As such, program applications are evaluated by their demonstrated benefit to the Thornton community, with priority placed on programs that provide the greatest impact to Thornton residents. This program has been in existence since 1983 and funding amounts vary each year. Thornton City Council approved \$70,000 to be distributed to eligible nonprofits in 2010.

Homebuyers Tax Credit

As part of the federal stimulus efforts to combat recession, first-time homebuyer credit has been made available to eligible buyers purchasing a home in 2008, 2009 or 2010. The credit:

- Applies only to homes used as a taxpayer's principal residence.
- Reduces a taxpayer's tax bill or increases his or her refund, dollar for dollar.
- Is fully refundable, meaning the credit will be paid out to eligible taxpayers, even if they owe no tax or the credit is more than the tax owed.

The Housing and Economic Recovery Act of 2008 established a tax credit for first-time homebuyers worth up to \$7,500. For homes purchased in 2008, the credit is similar to a no-interest loan and must be repaid in 15 equal, annual installments beginning with the 2010 income tax year.

The American Recovery and Reinvestment Act of 2009 (ARRA) expanded the first-time homebuyer credit by increasing the credit amount to \$8,000 for purchases made in 2009 before December 1st. Subsequently, the Worker, Homeownership, and Business Assistance Act of 2009 extended this deadline so that taxpayers who have a binding contract to purchase a home before May 1, 2010, are eligible for the credit. Buyers must close on the home before July 1, 2010. For homes purchased in 2009, the credit does not have to be paid back unless the home ceases to be the taxpayer's main residence within a three-year period following the purchase.¹⁴

Additionally, current homeowners looking for a replacement primary residence may qualify for a \$6,500 tax credit (up to \$3,250 for a married individual filing separately) under the “long-time resident” provision of the Worker, Homeownership, and Business Assistance Act of 2009. Homeowners are eligible for the credit if they have lived in their home for five consecutive years of an eight-year period, and purchase the new home between November 6, 2009 and April 30, 2010.

It is uncertain at this time if the Worker, Homeownership, and Business Assistance Act of 2009 tax credit incentives will be extended beyond May 2010.

Nonprofit Organizations

Nonprofit organizations provide below-market first and second mortgage products, down-payment assistance grants and forgivable loans, Mortgage Credit Certificates and other valuable tools for first time-home buyers. The City should continue to research potential educational and financial tools for its residents to increase home ownership opportunities and list these services in resource materials.

J. Potential Affordable Housing Programs

The City can work with developers and other agencies to support the development of new affordable housing programs in order to meet the need for approximately 2,000 units for those making \$25,000 or less. The City can also explore a variety of monetary and non-monetary incentives to encourage affordable housing needs.

Inclusionary Housing

A number of communities, both in Colorado and nationally, have implemented inclusionary housing zoning ordinances as a tool for creating new affordable rental and ownership opportunities in connection with market-rate housing development. These ordinances either encourage or require developers to provide a percentage of a development's total housing units at below-market rates affordable to low- and moderate-income households as defined by HUD AMI calculations. By requiring the affordable units to be built with similar

appearance to, and concurrently with, the adjacent market-rate units, the policy enables the creation of diverse, mixed-income neighborhoods. Alternatively, cash-in-lieu payments to the municipality can be substituted for the actual construction of the units by the developer. The payments would be pooled into a fund dedicated to the provision of affordable housing.

Thornton could consider the option of an inclusionary housing ordinance as a possible strategy by balancing its potential with the reality that its success is dependent upon market conditions. With the current decline in homebuilding, the policy would have no effect in the immediate future. However, as Thornton has a number of land use proposals under review and anticipates continued growth, the City could begin the process of designing an inclusionary zoning policy that can be implemented when the market recovers.

Location-Efficient Mortgages

Location-efficient mortgages can alleviate the housing-transportation cost burden by enabling homebuyers to qualify for higher loan amounts, or lower interest rates, in high-density transit-oriented developments (TODs).

CHFA has already collaborated with seven metro Denver cities on a location-efficient mortgage initiative which includes the sale of \$53 million in PABs to support development of affordable rental housing in TODs located near certain RTD FasTracks stations. Participating developers may be eligible for low-income-housing tax credits.

As the development of the FasTracks North Metro Corridor progresses, Thornton may want to consider the option of coordinating with CHFA on a similar initiative for the northern TODs.

Other Incentives

The City may also want to consider City Code amendments or policies that facilitate the development of affordable housing through such options as:

- Fee reductions for developers or homebuilders
- Lowering architectural and/or subdivision design standards for affordable housing projects
- Density bonuses for affordable housing projects

K. Goals

The City of Thornton's Affordable Housing goals are to:

- 4-A** Encourage developers to locate affordable housing near transit and other services.
- 4-B** Address existing low-income gaps identified in the Housing Needs Assessment.
- 4-C** Build knowledge, skills and confidence of current and future homeowners to promote successful homeownership.
- 4-D** Maintain and increase housing opportunities for income-restricted residents, such as seniors and the disabled.
- 4-E** Increase access to housing and support services for the homeless and near-homeless.
- 4-F** Ensure that Thornton residents have equal and unhindered access to housing regardless of race, color, religion, gender, familial status, disability, national origin, ancestry, marital status, creed or sexual orientation.

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