

OFFICE OF ECONOMIC DEVELOPMENT: Stapleton Development Amendment

Health, Safety, Education & Services
March 11, 2014



DENVER
THE MILE HIGH CITY

OED Ordinance Request

- Proposed ordinance request modifies affordable housing terms only in the Stapleton Development Agreement between Forest City Enterprises, Inc. and the City and County of Denver.
 - Attachment E – Affordable Housing Plan
 - Minor Amendment to Development Agreement
 - Covenant forms

Background

- Stapleton Development Corporation (“SDC”) and Forest City requested the City “explore ways in which the City, SDC and Forest City can work together to resolve the challenges facing the affordable for sale program.”
- As a result, the Stapleton Working Group was created to seek flexible solutions for current homeowners. The Stapleton Working Group consists of:
 - City Officials
 - Forest City
 - City Council members
 - Stapleton Citizen Advisory Board (CAB)
 - Stapleton Housing Diversity Committee

Background

- Considerations:
 - Current Stapleton affordable homeowners
 - Home owner relief in a down housing market
 - Preserving and creating affordable housing
 - Salability of the affordable units for the developer and current homeowners
- Stapleton proposal formally presented to the Stapleton Housing Diversity Committee July 11, 2013
 - Received positive comment and support to move forward
- Proposal was then presented to the CAB on July 25, 2013
 - Letter of support issued

Stapleton Agreement- Proposed Amendments

- 1. Covenant to be renamed "Notice of Voidability of Title Transfer and Affordable Housing Covenant"
 - Increase awareness of restrictions
- 2. Covenant control period to be reduced from 30 years to 15 years.
 - Helps increase the salability of affordable unit
- 3. Homeowner options for resale:
 - If the unit remains unsold after an active marketing period (120 days), the unit may be sold higher income eligible buyer

Years of Ownership	Eligible Household AMI at Resale
0-3	80% AMI
3-6	90% AMI
6-15	100% AMI
15+	No Restriction

- Sale to a City approved non-profit 501(c)(3) partner, governmental or quasi-governmental entity

Stapleton Agreement- Proposed Amendments

- 4. Homeowners may rent the unit after actively marketing the unit for sale.
 - Rental must occur through a City approved partner
 - Rent must be affordable to households whose eligible income may not exceed 65% area median income, depending on unit type.
 - The Affordable Covenant will remain in effect during the rental period; rental periods will not be included in the total duration of the control period.

Questions