

Sun Valley Homes Urban Redevelopment Plan



**Denver City Council Public Hearing
October 3rd, 2022**

Sun Valley Homes Urban Redevelopment Area ("URA") – Area Context



Property Owner: Denver Housing Authority (Redeveloper), City & County of Denver

Size: ≈35 Acres

Location: Sun Valley, Council District 3

Zoning: C-RX-8, C-MX-12, I-A

Current Uses in the URA:

- Former Sun Valley Homes public housing site
- Unused tank farm and vacant industrial property

Sun Valley Neighborhood Transformation

- 2013/2014: Decatur-Federal Station Area Plan/General Development Plan adopted
- 2016: DHA/City awarded HUD Choice Neighborhood Implementation Grant which begins Sun Valley Transformation
- 2019/2020: First two phases of redevelopment begin
- Final housing phases of DHA/CITY HUD Choice Neighborhood redevelopment to be located in the URA



Proposed URA Boundary

Sun Valley Homes Redevelopment Plan: Requested boundary creation



Urban Redevelopment Area Boundary

- ≈ 35 acres
- Includes vacant Sun Valley Homes site & industrial property
- Potential to add additional tax increment area to support the redevelopment of the vacant industrial property

Initial Property Tax Increment Area Boundary

- Area where DURA/DHA is requesting the ability to collect property tax increment
- Only includes vacant Sun Valley Homes site

Project Area Boundary

- DHA is seeking to redevelop the vacated Sun Valley Homes site
- Tax increment utilized to assist redevelopment efforts within this area

Sun Valley Homes Redevelopment Plan: Project Description



The Project:

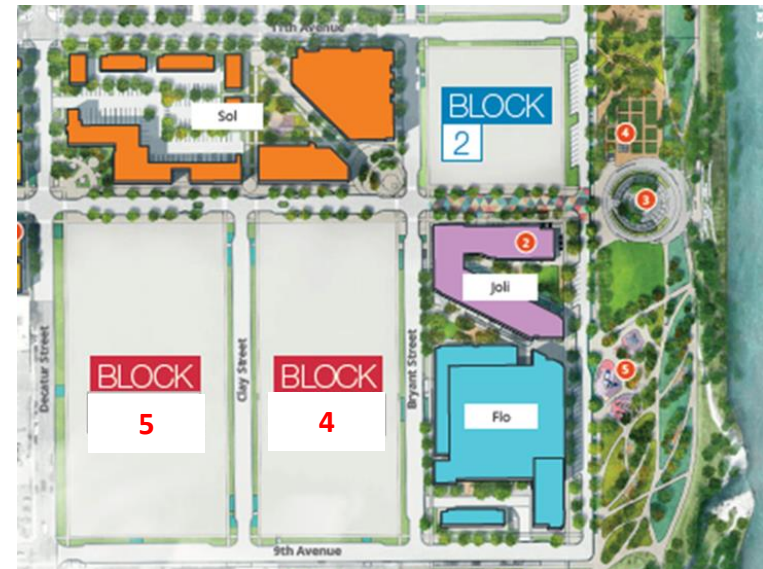
- Redevelopment of Sun Valley Homes site infrastructure that will accommodate the transformation of the area into an urban mixed-income neighborhood center consistent with the adopted plans for the area
- Project will allow for delivery of final housing component of DHA's Transformation Plan

DURA assistance only associated with land development burden.

- Civil infrastructure improvements include:
 - Creation of new riverfront park
 - Construction of a new Riverfront Drive along the park from 11th Ave. to 9th Ave.
 - Extension of Bryant Street & 10th Ave
 - Modernization of the existing rights-of-way to include appropriate pedestrian and bicycle accommodations
 - Stormwater and sanitary sewer upgrades

Completed Project Area: Five urban blocks & park

- DHA will retain ownership of two blocks for Sol, Joli and Flo mixed-income housing developments
- DHA will sell three blocks (2, 4 & 5) to private, market-rate residential developers

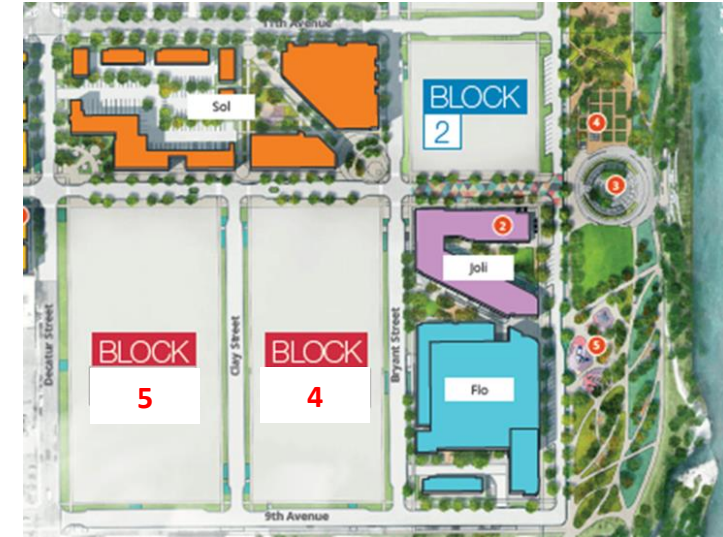


Sun Valley Homes Redevelopment Plan: Development Program



Projected Development by Block

Owner/Developer	Block	Housing Type	Acres	Units
DHA	B1 - Sol	Apt	3.33	169
Private Developer	B2	Apt	1.43	230
DHA	B3 N - Joli (family hsg)	Apt	1.17	133
DHA	B3 S - Flo Senior Tower	Apt	1.71	212
Private Developer	B4 North	Apt	1.04	114
Private Developer	B4 Mid	Stacked Flat	2.36	72
Private Developer	B5 North	Apt	3.40	292
Private Developer	B5 South	TH	0.50	10
DHA	B1&3 - TH (Affordable)	TH	0.23	14
Private Developer	B1&3 - TH (Market)	TH	0.41	26
Total			15.58	1,272
DHA	B1, B3		6.44	528
Private Development	B2, B4, B5, B1&3 (TH)		9.14	744



DHA Development Program*

Bedroom Count for DHA Developments in URA

DHA Projects	Total Units	1BR	2BR	3BR	4BR	5BR
Sol	169	43	72	30	24	0
Joli	133	62	49	9	7	6
Flo (Senior)	212	202	10	0	0	0
Total	514	307	131	39	31	6

Affordability Mix for DHA Developments in URA

DHA Projects	Total Units	30% AMI	40% AMI	50% AMI	60% AMI	70%-80% AMI	> 80% AMI
Sol	169	46	21	12	0	53	37
Joli	133	37	13	4	6	23	50
Flo (Senior)	212	83	0	23	106	0	0
Total	514	166	34	39	112	76	87

*DHA still refining 14-unit townhome development program

Sun Valley Homes Urban Redevelopment Plan – Conditions Study



1. Deteriorated or deteriorating structures
- 2. Defective or inadequate street layout**
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
- 4. Unsanitary or unsafe conditions**
- 5. Deterioration of site or other improvements**
- 6. Unusual topography or inadequate public improvements or utilities**
7. Defective or unusual conditions of title rendering the title non-marketable
8. Conditions that endanger life or property by fire or other causes
9. Buildings that are unsafe or unhealthy for people to live or work in
- 10. Environmental contamination of buildings or property**
- 11. Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements**



Sun Valley Homes Urban Redevelopment Plan: City Plan Compliance



Goals related to creating mixed-income housing communities

“Create a greater mix of housing options in every neighborhood...”

“Ensure neighborhoods offer a mix of housing types and services for a diverse population”

“Increase the development of affordable housing and mixed-income housing particularly in areas near transit, services and amenities.”

“Capture 80% of new housing growth in regional centers, community centers and corridors...”

“Promote and incentivize the development of affordable and family-friendly housing...in and near regional centers, community centers and community corridors.”

“Support a mixture of incomes”

“Create high quality residential communities”

Goals related to parks and open space

“Create and preserve parks and public spaces that reflect the identity of Denver’s neighborhoods.”

“Ensure equitable access to parks and recreation amenities for all residents.”

“Expand the supply of parks...relative to Denver’s population growth.”

“Ensure attractive streets and outdoor spaces in all centers and corridors, giving priority to pedestrian spaces and amenities.”

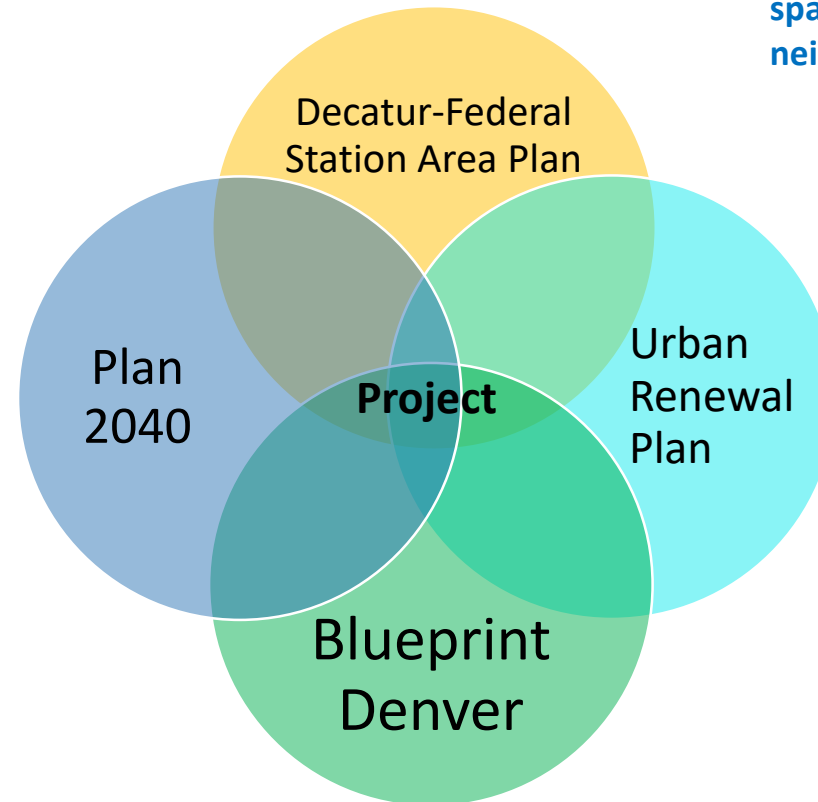
“Expand tools and regulations to ensure high-quality parks and outdoor public spaces keep pace with Denver's growth.”

“Improve the visual environment.”

“Ensure all residents and employees have access to recreation.”

“Clean up riverfront heavy industry.”

“Establish new riverfront park and riverfront park drive.”



An Equitable City

Planning for social equity and guiding change to benefit everyone

The Project area and surroundings have:

- **Low** access to Opportunity
- **High** Vulnerability to Displacement
- **Moderate** Housing and **Low** Job Diversity



Key Strategies:

- Project will support the infrastructure needed to create a dense and diverse supply of housing including significant portion of affordable housing
- Project will increase density of housing in close proximity to public transit and other services
- Project will increase supply of quality-of-life amenities including a new riverfront park and other open spaces

Sun Valley Homes Urban Redevelopment Plan: Objectives



The main objectives of the Urban Redevelopment Plan are to:

- Eliminate blight; renew and improve character of the Area.
- Improve access to transportation options, parks and open space.
- Promote a diverse mix of housing options.
- Promote equitable access to basic services and amenities.
- Enhance the multimodal transportation network serving the Area.
- Encourage land use patterns that result in a more environmentally sustainable city.
- Encourage land use patterns that result in a more pedestrian-oriented city.
- Encourage the creation of a complete and inclusive neighborhood.
- More effectively use underdeveloped land within the Area.
- Encourage land use patterns within Area and its environs where pedestrians are safe and welcome.
- Improve the economy of the City by upgrading property value.
- Encourage high and moderate density development where appropriate.
- Achieve the goals as outlined in adopted City Plans.

Sun Valley Homes Urban Redevelopment Plan: Use of Tax Increment



Summary of Project Sources of Funds:

Sources of Funds	\$	%
Land Sale Revenue	\$24,993,642	61%
Tax Increment	\$10,300,000	25%
City Funds	\$3,000,000	7%
DHA Funds	\$2,445,559	6%
Total	\$40,739,200	100%

Eligible Project Costs	\$	%
Riverfront Park Costs	\$4,871,667	47%
Roadway Improvements	\$2,540,000	25%
Sanitary Sewer Improvements	\$1,000,000	10%
Total Eligible Infrastructure Costs	\$8,411,667	82%
Soft Costs (20% of Infrastructure Cost)	\$1,682,333	16%
Project Art	\$103,000	1%
CEO Program	\$103,000	1%
Total Eligible Project Costs	\$10,300,000	100%

Use of Tax Increment: Reimbursement of Eligible Project Costs up to \$10.3MM payable by property tax increment

Anticipated TIF Eligible Project Costs:

- Roadways & Streetscapes
 - Utility Improvements
 - Riverfront Park Development
- } **Remedy Blight**
- } **Support Development Plan**

Sun Valley Homes Urban Redevelopment Plan: Additional Agreements



- DURA Urban Drainage and Flood Control District Letter Agreement
 - Ability to collect and utilize full amount of incremental property taxes from UDFCD mill levy
- DURA/DPS Intergovernmental Agreement
 - Ability to collect and utilize full amount of incremental property taxes from DPS mill levy
 - DURA to provide \$4 million from available Property Tax Increment to address service delivery impact to DPS as a result of projected development
- DURA/Sun Valley Denver General Improvement District (“GID”) Agreement
 - DURA to pay to GID all amounts collected from GID mill levies
 - GID to use amounts to maintain public improvements in URA
- DURA/City Cooperation Agreement
 - Addresses collection and remittance of property tax increment to support redevelopment
 - Term of Agreement – earlier of DURA obligation or 25 years

Sun Valley Homes Urban Redevelopment Plan: Legislative Findings



- Constitutes a Blighted Area
- Boundaries drawn as narrowly as feasible to accomplish objectives of Plan
- Feasible method exists for relocation of displaced individuals and families and/or business concerns
- Written Notice of Public Hearing Provided to All Property Owners, Residents and Owners of Business Concerns in the Urban Redevelopment Area
- No more than 120 Days Since First Public Hearing – First Public Hearing
- No previous failure to approve the Urban Redevelopment Plan
- Conformance with Comprehensive Plan
- Maximum Opportunity for Redevelopment by Private Enterprise
- No Open Land included in Urban Redevelopment Area
- No Agricultural Land included in Urban Redevelopment Area
- Agreements with other property taxing entities
- Ability to finance additional City infrastructure
- Eminent Domain is not authorized by Urban Redevelopment Plan

Sun Valley Homes Urban Redevelopment Plan: Questions

