

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: **August 3, 2015**

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** *(Include a concise, one sentence description – please include name of company or contractor and contract control number that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)* The requested ordinance amends Chapter 27, Article III of the Revised Municipal Code to enhance affordable housing preservation.

3. **Requesting Agency:** Office of Economic Development

4. **Contact Person:** *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Doug Selbee
- **Phone:** (720) 913-1794
- **Email:** douglas.selbee@denvergov.org

5. **Contact Person:** *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Susan Liehe
- **Phone:** (720) 913-1689 (o) 720-480-3481 (c)
- **Email:** susan.liehe@denvergov.org

6. **General description of proposed ordinance including contract scope of work if applicable:** In 2000, the City adopted Ordinance No. 757 to protect the availability of publicly assisted affordable housing for low and moderate income households. The existing ordinance requires landlords to provide notice to the City when planning to discontinue affordable housing uses and to provide purchase opportunities for the City or its designee to attempt to preserve the affordability of such properties. In December 2013, the National Housing Trust, a national non-profit with expertise on affordable housing preservation, recommended amendments to the ordinance to improve the City's ability to achieve the intentions of the existing ordinance. This ordinance request is for adoption of four proposed amendments: 1) expand coverage to all affordable properties that have received any public assistance; 2) expand coverage to properties that are for sale; 3) provide the City or its designee a right of first refusal on for-sale units; and 4) increase the length of the required notice period.

*****Please complete the following fields:*** *(Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. **Contract Control Number:** NA
- b. **Duration:** NA
- c. **Location:** City and County of Denver
- d. **Affected Council District:** NA
- e. **Benefits:** This ordinance creates greater opportunity to preserve the affordability of thousands of housing units in Denver; up to 4500 units have affordability covenants that expire just in the next 5 years.
- f. **Costs:** Although the ordinance expands the City's ability to purchase affordable housing units with expiring covenants, it would not guarantee any specific expenditures.

7. **Is there any controversy surrounding this ordinance?** *(Groups or individuals who may have concerns about it?)* Please explain No.

EXECUTIVE SUMMARY

Fund and Organization Number, including Grant Number if known: NA

The grantor, grant amount, and start/end dates: NA

CFDA Number and Contract Control Number: NA

Grant objectives (e.g. target population, geographic area served): NA

Matching dollar amounts and staffing requirements, and the funding source of the match: NA

Evaluation component: NA

For multiple year projects, list previous accomplishments: NA

This ordinance would propose four amendments to the existing affordable housing preservation provisions in D.R.M.C. Chapter 27, Article III:

1. **Expand coverage to all affordable properties that have received public investment, including assistance from HUD, Treasury, USDA (Rural Development), and other federal or local sources.** The current ordinance limits coverage to properties that have received specific federal and local subsidies. In particular, the current ordinance leaves out properties that have been subsidized by a Low-Income Housing Tax Credit (LIHTC), a category which includes more than 2000 units whose covenants expire by the end of 2020. The proposed amendment would include broader language to cover all affordable units that have received any federal or local subsidy.
2. **Expand coverage to include affordable, publicly-assisted properties that are for sale or subject to any other action that would affect the current affordability structure.** In addition to the predictable expiration of affordability covenants, a planned sale or other disposition can also trigger the loss of affordability restrictions on a unit. The proposed amendment would broaden the ordinance's language about events that could trigger an opportunity for the City or its designee to purchase the property to include: 1) a planned sale or other disposition of the property; or 2) another action that would affect the current affordability structure.
3. **Provide a right of first refusal for the City or its designee.** The current ordinance requires owners of affordable properties who have decided not to maintain affordability restrictions to 1) notify the City within a given time frame; 2) allow inspection of the property to allow the City or its designee to determine fair market value; and 3) refrain from any actions that might preclude the purchase of the property by the City or its designee. The proposed amendment would additionally grant the City or its designee a right of first refusal, i.e. an opportunity to match a market-based price negotiated by the owner and a third party.
4. **Require owners of at-risk affordable properties to provide increased notice to the City.** The current ordinance requires owners of affordable properties who are planning to sell or opt out of federal assistance to provide the City with 210 days notice for a long-term contract or 150 for a one-year contract extension. The proposed amendment would require owners to provide the City with 12 months notice of any potential termination of affordability restrictions. This longer notice period would allow the City or its designee more time to prepare offers and arrange financing to preserve affordable units.