



AFFORDABLE HOUSING RECOVERY PLAN

Safety, Housing, Education and Homelessness Committee

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Denver's affordable homeownership program

- 1,402 homes currently in our affordable homeownership portfolio
- We have identified 306 of these homes as showing signs of possibly being out of compliance with affordability restrictions
- OED has reached out to each owner to understand their unique circumstances and explore potential remedies
- We instituted a seven-month Compliance Resolution Program period—from June through December of this year—for households to work with us to demonstrate compliance, or to work toward a solution
- As of September 4, 105 of these homes have been cleared and brought back into compliance with the affordable housing requirements

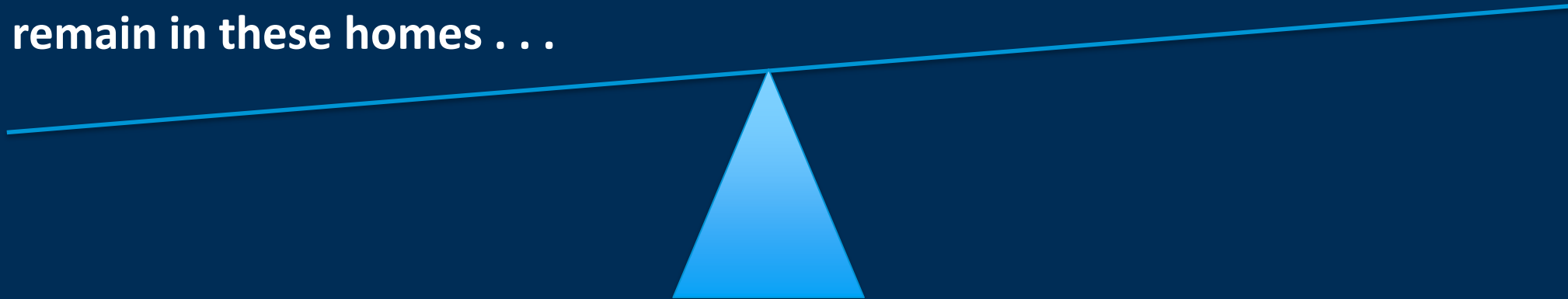
VALUE GOALS

- Preserving affordability of entire portfolio, given incredible demand citywide
- Giving homeowners options to stay in their homes
- Be fair to the large majority who have properly followed their ownership restrictions
- Prevent any windfall to non-compliant households

Today's ordinance request offers a legal option

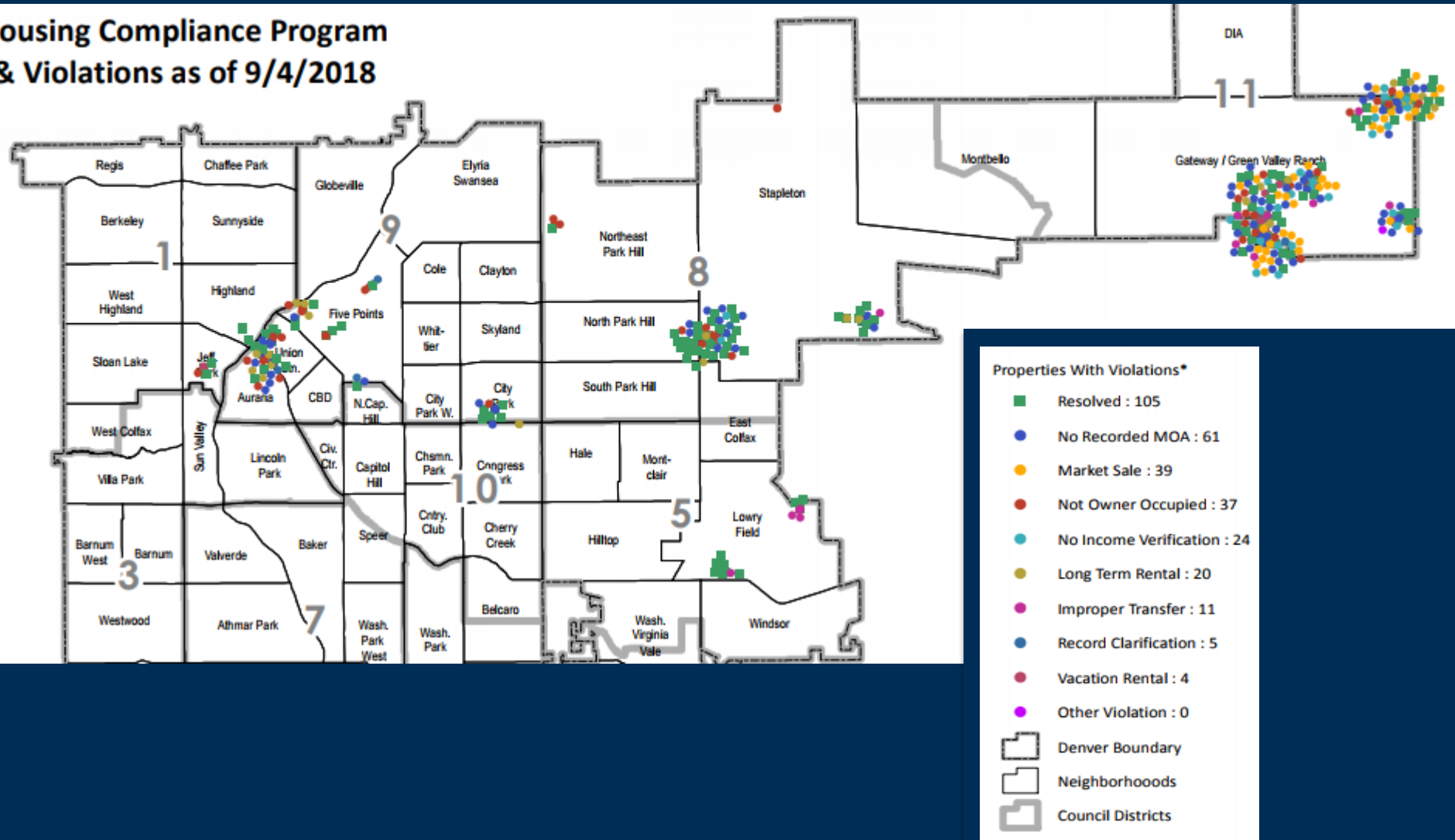
We seek to offer a solution to the non-income qualified owners of affordable homes who wish to remain in these homes . . .

. . . that still honors the principle of affordability that made the homes possible in the first place



201 remaining homes with possible compliance issues

Affordable Housing Compliance Program Resolutions & Violations as of 9/4/2018



201 remaining homes with possible compliance issues

- We're continuing to work with these remaining homeowners toward resolution
- We expect this number to continue to drop, as individuals are working through various paths to compliance
- We recognize that there are some owners who have blatantly disregarded the program; we will be addressing these situations
- Today we're presenting for your consideration an additional tool to our program

THIS LEGAL OPTION

- Protects the community's asset
- Minimizes the impact on homeowners who reside in non-compliant properties
- Avoids displacement

Proposed Affordable Homeownership Recovery Plan:

- Revisions to the Inclusionary Housing Ordinance
- Revisions to the IHO Rules and Regulations
 - Offered to non-income-qualified owners
 - Provides owners with the option of temporarily “timing out” or suspending their affordability requirements
 - Suspension period spans from when the unit originally fell out of compliance to when the owner sells the property
 - When owners eventually sell, the lost affordability period would be recaptured and added to the affordability duration that remains on the covenant
 - The property sale must be to an income-qualified buyer at a price that doesn’t exceed the maximum allowable sales price, per the covenant terms

Ongoing, Proactive Approach

- We're meeting industry groups and regulators, advocating for changes to real estate forms
Led by City Attorney's Office
Working through Colorado Real Estate Commission
- OED is establishing training across industry
Land Title Association of Colorado, plus individual companies
Denver Metro Association of Realtors
- Expansion of OED's housing compliance team – from one to seven
Continuous improvement – additional prevention efforts
Outreach/education – to industry, and homeowners
Providing annual notifications to homeowners
- Improved coordination with Clerk/Recorder, Assessor's Office

VIOLATIONS

- Short- and long-term rentals
- Owners not residing here
- Notices of Violation
- Established hearing process

DISCUSSION