

# OED ORDINANCE/RESOLUTION REQUEST

Date of Request: 1/23/19

Please mark one:  Bill Request or  Resolution Request

## 1. Type of Request:

Contract/Grant Agreement  Intergovernmental Agreement (IGA)  Rezoning/Text Amendment

Dedication/Vacation  Appropriation/Supplemental  DRMC Change

Other:

**2. Title:** Creates an intergovernmental agreement and contract between the Office of Economic Development and the Denver Urban Renewal Authority for the amount of \$850,000 for the latter to administer the 2019 Single Family Rehabilitation Program to help preserve the community's existing housing stock and stabilize Denver homeowner/occupants who are at or below 80% Area Median Income, with primary emphasis on addressing housing code issues as well as other potential rehabilitation and/or repair needs such as roofing, replacement windows and doors, furnaces, and water heaters.

## 3. Requesting Agency: Office of Economic Development

## 4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: <b>Melissa Thate 720-913-1702</b>	Name: <b>Susan Liehe 720-913-1689</b>
Email: <b>melissa.thate@denvergov.org</b>	Email: <b>susan.liehe@denvergov.org</b>

## 5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

**6. City Attorney assigned to this request (if applicable):** Julie Mecklenburg

**7. City Council District:** Citywide

**\*\*For all contracts, fill out and submit accompanying Key Contract Terms worksheet\*\***

## Key Contract Terms

**Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):**  
 Professional Services. NOTE: Because DURA is considered to be a quasi-governmental entity, this contract is considered an Intergovernmental Agreement by the City Attorney's Office and is thus submitted as an ordinance.

**Vendor/Contractor Name:** Denver Urban Renewal Authority

**Contract control number:** OEDEV-201946950-00

**Location:** Citywide.

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No

**Contract Term/Duration:** A 15-month duration from March 1, 2019 through May 31, 2020. Note: The entire award amount should be committed by 12/31/2019 and work completed before 5/31/2020.

**Contract Amount (indicate existing amount, amended amount and new contract total):**

<i>Current Contract Amount</i> <i>(A)</i>	<i>Additional Funds</i> <i>(B)</i>	<i>Total Contract Amount</i> <i>(A+B)</i>
\$850,000	0	\$850,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
3/1/19 – 5/31/20	0	5/31/20

**Scope of work:** To respond to inquiries/requests, work with applicants, and distribute home rehabilitation grants and loans to 20 qualified Denver homeowners on behalf of the city in order to stabilize households.

**Was this contractor selected by competitive process?** Yes. This project with DURA was selected for funding through OED's Fall 2018 Notice of Funding Availability (NOFA), an annual citywide call for proposals on a range of housing and neighborhood projects funded through Denver's Community Development Block Grant (CDBG), other HUD funds such as HOME and Housing Opportunities for People with AIDS (HOPWA), and the city's Dedicated Fund for Affordable Housing. Funding for the Single Family Rehabilitation (SFR) program comes solely from HUD HOME funds. The list of awardees through the NOFA for 2019 will be released later in 1Q 2019 when all contract negotiations are complete.

**Has this contractor provided these services to the City before?**  Yes  No

**Source of funds:** HUD HOME

**Is this contract subject to:**  W/MBE  DBE  SBE  XO101  ACDBE  N/A

**WBE/MBE/DBE commitments (construction, design, DEN concession contracts):** N/A

**Who are the subcontractors to this contract?** N/A

## EXECUTIVE SUMMARY

The Single Family Rehabilitation (SFR) program is designed to help low to moderate-income Denver homeowners make their homes safe and livable.

In 2019, qualified homeowners will be able make essential repairs and necessary upgrades to their home using zero to one-percent (0-1%) interest loans of up to \$35,000. As part of the overall project, a minimum of \$5,000 must be spent on the exterior of the home, if needed. The interest rate and loan terms will vary depending on each household size and income.

In addition to meeting code requirements, the SFR program is designed for major home rehabilitation such as roofing, plumbing, siding, gutters and window repair or replacement. A lead-based paint risk assessment is performed at no cost in all SFR projects.

As part of DURA's commitment to the homeowner, DURA oversees the work being performed by the contractor to make sure repairs are completed quickly, at a competitive price, with the highest quality work, and in the best interest of the homeowner.

In this 15-month contract period, DURA is expected to rehab 20 homes using both \$850,000 in HUD HOME funds and program income. The SFR program is currently designed to make loans up to \$35,000, of which a minimum of \$5,000 be utilized for improvements to the exterior of the home. The borrower must occupy the home as their principal residence. The SFR loans will be no-interest perpetually deferred loans, or one-percent interest payback loans amortized over 20 years as set forth in the SFR Scope of Services, or a combination of the two. Loans will be secured by a mortgage lien on the property. The mortgage lien will be similar to any security agreement for a long-term home improvement loan.

The administrative overhead for managing the SFR program will be paid at a rate of 10% of the total contract award.

DURA has administered the Single Family Rehabilitation (SFR) program for Denver for more than 40 years. This program contributes to the maintenance of Denver's existing housing stock and the integrity of older neighborhoods, especially when affordable housing is difficult to come by in the booming Denver housing market. Additional details about qualifications and applying for the SFR program can be found at [renewdenver.org](http://renewdenver.org).