

Safety Committee Update

July 18, 2018

Agenda

- Update on outreach
- Proposed draft terms of the IGA with the Denver Housing Authority
- Proposed timeline and next steps
- Questions/Discussion

Update on Outreach

- City team met with more than 35 stakeholder groups through April, May and June
- Discussed framework at May, June and July meetings of full HAC and subcommittees
- DHA outreach on modeling of the outcomes from bond investment with experts in land acquisition, development and service providers in June and July
 - Feedback from technical experts indicated support for DHA's model projections and assumptions with minor cost adjustments

Proposed Terms of DHA IGA - Timeline

- Agreement would commence on January 1, 2019 and terminate on December 31, 2038 (20 years)
 - Units will be developed, rehabilitated or preserved at DHA sites by December 31, 2024 (5 years)
 - “Developable Properties” including land and existing buildings will be acquired by December 31, 2024 (5 years)
 - Units will be developed, rehabilitated or preserved at Developable Properties by December 31, 2029 (10 years)

Proposed Terms of DHA IGA – Payment

- City will provide to DHA the mill levy tax revenues from the Affordable Housing Fund pursuant to Article V of the DRMC
- Payments to DHA will be subject to annual appropriations from City Council and will be made in annual installments starting January 31, 2019
- In the event that City Council does not appropriate the property tax in a particular fiscal year, the succeeding year's appropriation may include the prior fiscal year's appropriation

Proposed Terms of DHA IGA – DHA Development Projects

- No less than 1,294 total units will be developed at three catalytic redevelopments:
 - Sun Valley Project: 932 units, including preservation/replacement of 333 units of existing affordable rental housing
 - Westridge Project: 290 units, including preservation/replacement of 200 units of existing affordable rental housing
 - Shoshone Project/Alternative Site: 72 units
- Units will be a mix of affordability levels at 0-30% AMI, 31-60% AMI and 61-80% AMI
- DHA will work to leverage the maximum possible units at each project
- Shoshone Project can be substituted with approval by the Director of OED for another catalytic project as long as total units are achieved
- No more than 50% of net property tax proceeds shall be used for DHA projects

Proposed Terms of DHA IGA – Developable Properties

- “Developable Properties” including land and buildings will be acquired to primarily serve Very Low Income Populations (below 30% AMI) and/or Permanent Supportive Housing
 - Properties will be reasonably distributed throughout the City with no more than 15% of acquisition funds in any one City Council district
 - Land parcels will be between 0.5 – 3 acres unless approved by Director of OED
 - DHA shall not be the primary developer for units in Developable Properties
 - At least 50% of the units will be affordable to Very Low Income Populations and/or Permanent Supportive Housing
 - DHA will leverage at least 300 Project Based Vouchers to support unit affordability
- No less than 50% of net property tax proceeds shall be used for Developable Properties

Proposed Terms of DHA IGA – Developable Properties cont.

- Advisory Group made up of public and quasi-public housing partners will advise DHA on:
 - Program guidelines for development and overall program evaluation
 - Acquisition criteria for Developable Properties consistent with the Housing Plan
 - Development and evaluation of RFQ/Ps for Development Partners for vertical construction and rehab
- At least 1,200 total units will be developed at scattered sites (projected across 10-15 individual sites)
- Projects will be reasonably phased throughout the performance period with goal of 1-2 projects developed per year
- DHA and OED will work collaboratively to support projects through land/property, gap financing and supportive services

Proposed Terms of DHA IGA – Other

- Administrative capacity capped at 4% of overall bond proceeds
- All units developed, rehabilitated or preserved under the Agreement will be affordable in perpetuity
- DHA will provide quarterly reports on the progress of construction and acquisition of buildings and parcels under the Agreement. Reports will include:
 - Financial summaries of funds invested to support outcomes of the agreement
 - Construction progress updates
- DHA will provide annual reports describing:
 - Actual units developed, rehabilitated and preserved against goals of the agreement including affordability of units
 - Cost of units and assistance provided including leverage of other funds where appropriate
 - Description of properties acquired and Development Partners selected through competitive process, including status of projects in development pipeline

Proposed Timeline

Task	April 2018	May 2018	June 2018	July 2018	August 2018	Fall 2018	January 2019
Stakeholder and Public Outreach							
IGA Development							
Council Outreach							
Council Adoption							
2019 Budget Adoption							
Revenue Available for Investment							

Proposed Adoption Timeline

August 8: Safety Committee meeting for action

August 14: Mayor Council

August 20: First Reading at City Council

August 27: Second Reading at City Council

QUESTIONS/DISCUSSION



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