



Office of Economic Development

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DENVER
THE MILE HIGH CITY

John W. Hickenlooper
Mayor

NEIGHBORHOOD STABILIZATION PROGRAM STATUS REPORT **July 13, 2010**

NSP 2 Accomplishments to Date

NSP 2 Total Funding: \$18,994,444

- Denver was awarded \$18,994,444 in NSP 2 funds to assist an estimated 325 housing units. The budget for NSP 2 funding is:
 - Single-family acquisition/rehabilitation/resale \$ 5,000,000
 - Multi-family acquisition and rehabilitation \$12,095,000
 - Administration at 10% \$ 1,899,444
- Two \$2.5 million contracts for the single-family acquisition/rehabilitation/resale program have been awarded to our existing NSP 1 partners and are before NCBR today for discussion and approval
- \$2.5 million each is being awarded to:
 - Denver Neighborhood Revitalization, Inc. (Denver Urban Renewal Authority, with Habitat for Humanity of Metro Denver and Colo. Housing Assistance Corp. as partners)
 - Neighborhood Development Collaborative, Inc. (Denver Housing Authority, Del Norte Neighborhood Development Corp., NEWSED, Northeast Denver Housing Center)
- There are currently 12 NSP 2 target neighborhoods. Amendment request submitted to HUD to expand target neighborhoods to include the same neighborhoods as NSP 1
- A request for proposals has been issued for eligible multi-family projects that can be developed on foreclosed or vacant land. For-profit or non-profit developers can submit an application for multi-family properties in our target neighborhoods through August 31, 2010 or until funding has been obligated. The multi-family contracts will be underwritten and approved on a project by project basis and will come before this committee as necessary.
- 25% of the NSP funds must assist homes for households at 50% of AMI and below. A priority will be given to multi-family projects that target this income level.
- 50% of the funds must be expended by February 2012 and 100% by February 2013.
- Denver NSP 2 plan stressed:
 - Focus on areas near transit;
 - Working to develop multi-family opportunities while still including a program to acquire, rehab and resell single family homes; and
 - Concentrating our efforts in the hardest hit neighborhoods to have greater impact.

Updated NSP1 Accomplishments

NSP 1 Total Funding: \$9,680,346

- HUD-City NSP allocation: \$6,060,170
- State NSP allocation to City: \$3,620,176. Negotiating with State now to allow the City to retain program income to continue to purchase foreclosed properties.
- As of July 1, 2010, expanded target neighborhoods from 11 to 25 to include: Athmar Park, Barnum, Barnum West, Chaffee Park, Clayton, Cole, College View, East Colfax, Elyria/Swansea, Five Points, Globeville, Green Valley Ranch, Harvey Park, Jefferson Park, Mar Lee, Montbello, Northeast Park Hill, North Park Hill, Ruby Hill, Skyland, Sunnyside, Villa Park, West Colfax, Westwood and Whittier.
- Neighborhoods were expanded due to decreasing opportunities in originally targeted neighborhoods.
- 80 Housing units acquired through July 7, 2010



- Have expended over \$8,103,903 to date or 84% of the total allocation
- 44 Single-family homes have been purchased in 10 of 25 target neighborhoods
- 1-36 unit apartment building purchased-all 36 units will serve 50% of AMI or below
- Anticipate assisting over 120 households
- Average purchase price discount so far is 6%
- Denver Water Dept. donating low-flow toilets, energy-efficient dishwashers and washing machines
- Every homebuyer has received at least \$1,000 in down payment/closing cost assistance.
- Denver will surpass our September 2010 HUD requirement to have all our funds obligated. Full expenditure of the funds is required by March 2013. OED expects full expenditure by December 2010 at the latest
- 8 closings to homebuyers have occurred:
 - The average AMI for home purchasers is 72% and ranges from 51% to 100% of AMI
 - The average sales price of the homes is \$153,987 and ranges from \$131,000 to \$193,000

Take Root Denver

- A new website that Denver has developed in conjunction with Freddie Mac and all of our NSP partners is now available online. The site is <http://www.takerootdenver.org> and the purpose of the site is to:
 - Market the homes that our partners have for sale under the NSP,
 - Encourage homeownership counseling,
 - Provide information on owning a home,
 - Promote our target neighborhoods, and
 - Provide resources and information on foreclosure prevention
- Bus shelter advertising has begun to promote the site and its goals of buying a home and keeping your home. People will be able to text a number as well to receive messages back such as on resources to help you keep your home, etc.

Mortgage Credit Certificates

- Provides a federal tax credit to homebuyers and is available through December 2011.
 - MCCs in total through June 30, 2010: 84
 - Total dollar amount utilized: \$14,704,736 (47% of the available mortgage amount)
 - Average loan amount: \$175,056
 - Average price of the home: \$184,964
 - Average Borrower income: \$51,577 (67% of AMI for a four-person household)

Ancillary Benefits

- Jobs Increased/Retained: General contractors, sub contractors, laborers, materials suppliers, title companies, realtors, home ownership counselors.
- Distressed neighborhoods stabilized.
- Revenues increased through property tax assessments.
- Energy efficiency increased in fully rehabilitated properties.
- Efficient use of water both inside and outside the home improved.
- Economic stability for families enhanced through eight hours of home ownership counseling designed to create educated home buyers and through more energy efficient homes.
- Opportunities for households to benefit from in-place mass transit expanded.

Minimum number of NSP 1 and 2 units to be developed
Total NSP 1 and 2 funding within the City and County of Denver

468
\$28,674,790