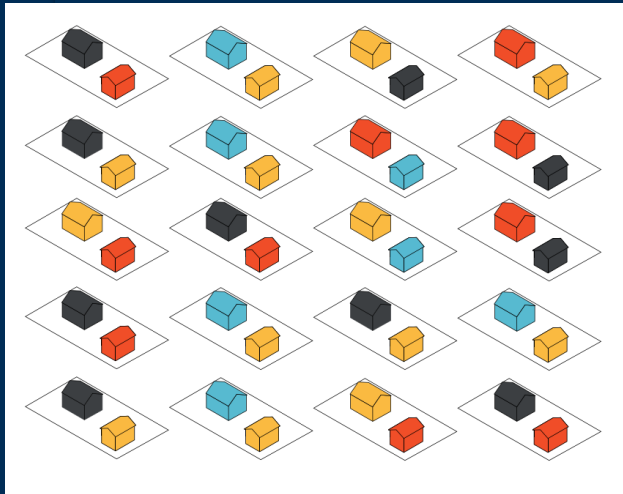


# West Denver Single Family+ Program



Safety, Housing, Education & Homelessness Committee  
Haley Jordahl, Housing Development Officer  
March 27, 2019



**DENVER**  
ECONOMIC DEVELOPMENT  
& OPPORTUNITY

# Legislative request

**This ordinance request would provide funding to deepen the affordability of participants in the West Denver Single Family+ (“WDSF+”) program.**

- The West Denver Single Family + program is an initiative launched in 2019 by the West Denver Renaissance Collaborative (WDRC). WDRC is an organization incubated by the Denver Housing Authority (DHA) with the goal of mitigating displacement in nine West Denver neighborhoods.
- WDSF+ will support participating West Denver homeowners in constructing income-restricted accessory dwelling units (ADUs) on their properties.
- The Office of Economic Development (dba Denver Economic Development & Opportunity, DEDO) proposes an ordinance request to provide \$500,000 to WDSF+ to fund soft second mortgages of up to \$25,000 to participating West Denver homeowners earning up to 80% AMI.
- This is an ordinance request due to any contract between the city and DHA defined as an intergovernmental agreement (IGA).

# Project context

**The West Denver Renaissance Collaborative (WDRC) is a collective impact organization focused on an equitable, inclusive revitalization of West Denver.**

- **WDRC was incubated in 2016 by the Denver Housing Authority. Its efforts are shepherded by the West Denver Community Leadership Committee (WDCLC), a group of leaders representing WDRC's nine focus neighborhoods.**
- **In 2016 and 2017, WDRC conducted resident listening sessions to identify community strategic priorities and shape WDRC's work plan.**
- **As noted on the following slides, in both 2016 and 2017, housing policy and displacement concerns were high-priority items for West Denver residents. Connectivity was also identified as a critical priority; in response, WDRC is engaging with the ongoing Federal Boulevard planning process.**

# 2016/2017 community priorities

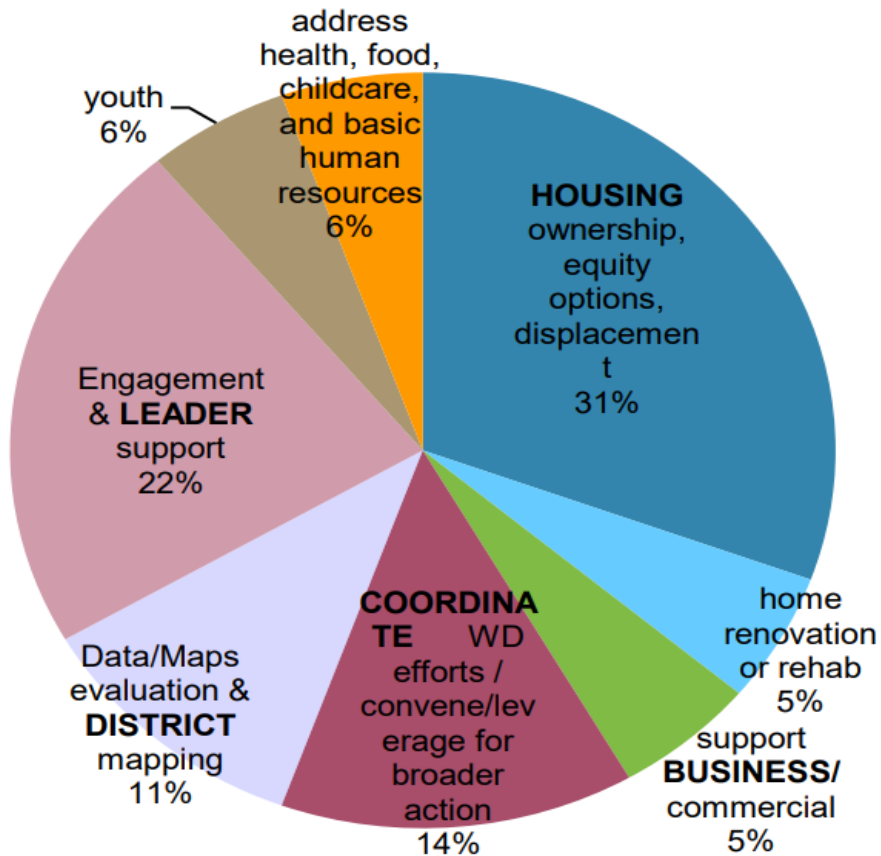
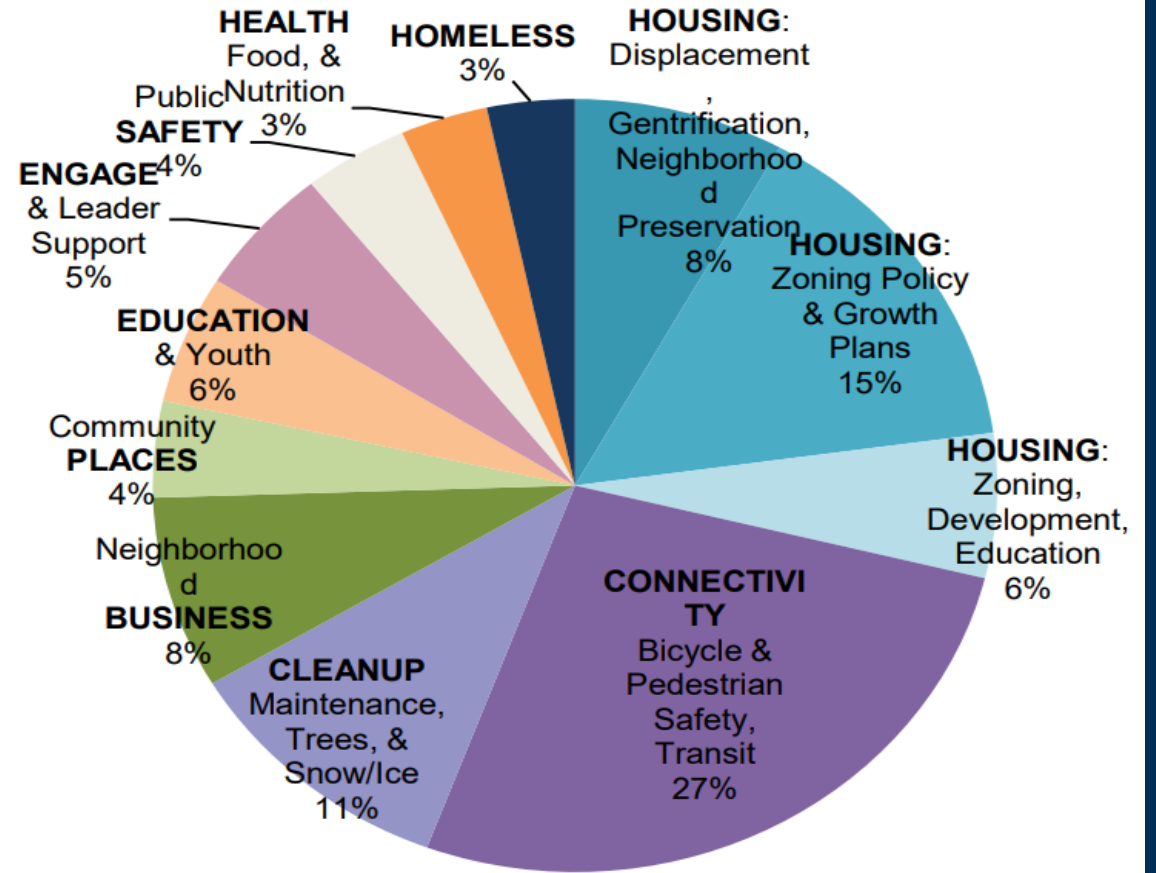
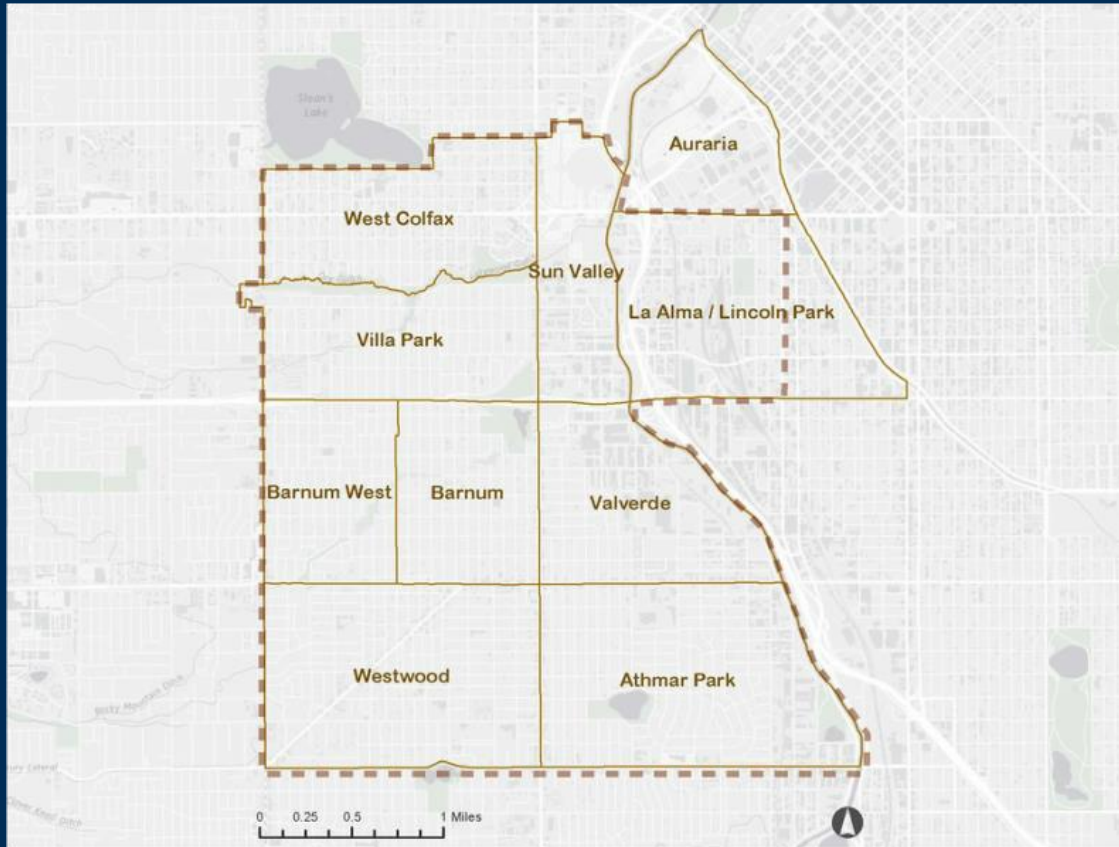


Figure 1: 2016 top community priorities



2016-2017 consolidated 2-year top community priorities

# WDRC focus neighborhoods



- In West Denver, 32% of owners and 54% of renters are considered cost-burdened
- In 2018, property taxes in West Denver increased by nearly 30%; between 2016 and 2018, housing values increased by 49%
- Between 2009 and 2014, West Denver neighborhoods lost 5,100 Latino residents
- To combat involuntary displacement, WDRC is advancing multiple housing strategies via the WDSF+ initiative

# WDSF+ housing strategy

In response to community prioritization of affordable housing and anti-displacement needs, WDRC is advancing a two-part housing strategy.

- The West Denver Single Family + program (WDSF+) will provide multiple housing services:
  - Connection to housing counseling resources tailored toward the needs of homeowners
  - WDSF+ ADU pilot program
- The WDSF+ ADU pilot program has three primary goals:
  - Mitigate involuntary displacement in West Denver by providing homeowners with an additional income stream
  - Create a process for low-cost ADU development
  - Develop ADUs as a source of long-term affordable rental housing



# ADU pilot program concept

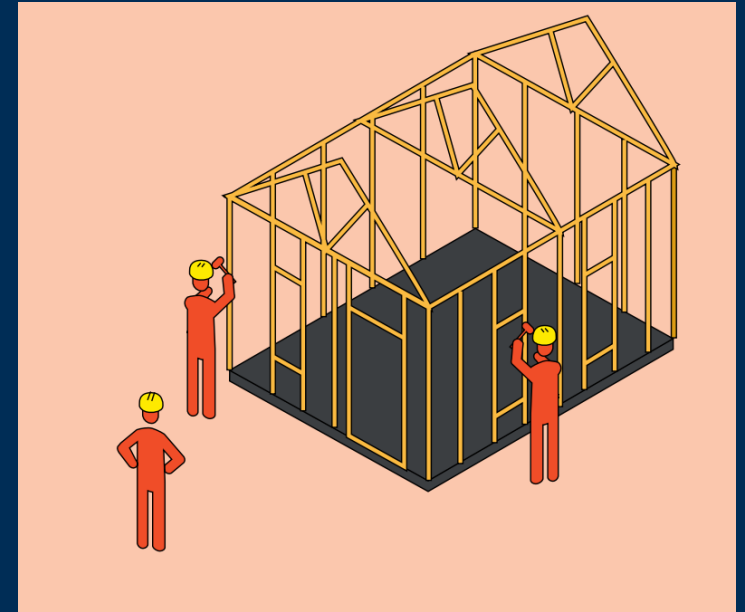
**The ADU pilot program will provide homeowners with an opportunity to develop income-restricted ADUs at a low cost.**

- **The ADU pilot program will be open to West Denver homeowners who have lived in their neighborhoods for 5+ years, and whose lots are zoned for ADU development.**
- **Interested homeowners will be pre-qualified for financial and site readiness. Qualified homeowners will work with a WDRC financial counselor to review the development process and prepare a loan application.**
  - All ADUs will be income-restricted for 25 years at 80% AMI
  - Homeowners are required to contribute \$10,000 - \$25,000 in the form of a down payment
  - ADU development can be financed via a HELOC or Fannie Mae HomeStyle mortgage
- **Homeowners will work with WDRC to finalize design, underwriting, and construction contracts.**
  - Five ADU designs have been type-approved by Denver Planning and Development (CPD)
  - Habitat for Humanity will partner with WDRC to construct the ADUs
  - WDRC will provide property management training to participating homeowners

# Proposed city investment

The city's proposed \$500,000 in funding will contribute toward deepening the affordability of ADU program participants

- Overall, the ADU pilot program is open to homeowners earning up to 120% AMI
- However, the city's investment will be directed toward participants earning up to 80% AMI
- The city's funding will be structured as forgivable loans of up to \$25,000, with size depending on need
- The percent of the loan that is forgivable will increase the longer the homeowner remains in the home
- The city's investment is an anti-displacement investment for low-income homeowners





# DISCUSSION