

ORDINANCE/RESOLUTION REQUEST
Please Submit to Mayor's Legislative Team by noon Wednesday to
Milehighordinance@denergov.org

Please mark one: **Bill Request** or **Resolution Request**

1. In the past 12 months has your agency submitted this request?

Yes **No**

If yes, please explain:

2. Title: *(Include a one sentence description that clearly indicates the type of request – grant acceptance, contract execution, municipal code change, supplemental request, etc.)*

Allow the execution of a grant agreement between the City and County of Denver and the Denver Neighborhood Revitalization, Inc. (DNRI) for the Neighborhood Stabilization Program 2 (NSP2).

3. Requesting Agency:

Office of Economic Development – Business and Housing Services

4. Contact Person: *with actual knowledge of proposed ordinance*

- **Name:** Beth Truby, Neighborhood Stabilization Program Manager
- **Phone:** 720-913-1530
- **Email:** beth.truby@denvergov.org

5. Contact Person: *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary*

- **Name:** Beth Truby
- **Phone:** 720-913-1530
- **Email:** beth.truby@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

This ordinance approves a grant agreement with Denver Neighborhood Revitalization, Inc. (DNRI) for implementation of the Neighborhood Stabilization Program 2 (NSP2). NSP2 was authorized under the American Recovery and Reinvestment Act (ARRA) of 2009. The City and County of Denver has been awarded NSP2 funding from the United States Department of Housing and Urban Development (HUD) in the amount of \$18,994.444. Denver is providing \$2,500,000 of those funds to DNRI to implement NSP2. The Housing and Economic Recovery Act (HERA) of 2008 originally established the NSP and appropriate funds to address the effects of abandoned and foreclosed properties in the nation's communities. Additional program details in the summary below.

Please include the following:

- a. Duration:** February 11, 2010-February 11, 2013
- b. Location:** Citywide
- c. Affected Council District:** Citywide
- d. Benefits:** Elimination of abandoned and foreclosed properties and expanded affordable housing opportunities for low-moderate- and median-income households.
- e. Costs:** \$2,500,000

7. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.

No known controversy.

(Completed by Mayor's Office): **Ordinance Request Number:**

Date:

ORDINANCE/RESOLUTION REQUEST

EXECUTIVE SUMMARY

Contract Entity: Denver Neighborhood Revitalization, Inc. (DNRI)

Contract Amount: \$2,500,000

Program: Neighborhood Stabilization Program

Location: Neighborhoods with high rates of home foreclosures, homes financed by sub-prime mortgages, homes in default or delinquency and abandonment risk, as described by the United States Department of Housing and Urban Development (HUD). Neighborhood included in NSP2 are: Green Valley Ranch; Westwood; Globeville; Northeast Park Hill; West Colfax; Chaffee Park; Sunnyside (Census Tract 11.01 only); Cole; Clayton; Villa Park; Elyria/Swansea; and Montbello. Additional neighborhoods may be considered for inclusion in DNRI's NSP2 work plan on a case-by-case basis; however, any expansion or alteration from the areas listed here must be pre-approved, in writing, by the Business and Housing Services (BHS) Director and DNRI President.

Project/Grant Description:

- Grant Objectives: To assist local governments in addressing the effects of abandoned and foreclosed properties in the nation's communities. Eligible activities include:
 - Financing for the purchase and redevelopment of foreclosed residential properties.
 - Purchase and rehabilitation of abandoned homes and residential properties.
 - Redevelopment of vacant properties.
- The City and County of Denver will be contracting with Denver Neighborhood Revitalization, Inc. (DNRI) to implement the program in those neighborhoods that have been identified as the areas of greatest need, as prescribed by HUD. The team consists of the Denver Urban Renewal Authority, Colorado Housing Assistance Corp., and Habitat for Humanity of Metro Denver. DNRI will be acquiring, rehabbing and reselling foreclosed and vacant and abandoned properties to income-qualified households.
- A contract accepting the grant from HUD in the amount of \$18,994,444 has been approved by City Council. A portion of those funds is being awarded to DNRI.
- The funds awarded by HUD for NSP2 are in addition to the NSP funds awarded by HUD under NSP1. Matching requirements: None.
- The existing Community Development Block Grant (CDBG) regulations will apply, including some modifications to accommodate the Housing and Economic Recovery Act HERA and ARRA directives. For example, income limits allow assistance to households at up to 120% of Area Median Income (AMI).
- The expenditure of NSP2 funds must occur by February 11, 2013.
- A minimum of 20% (\$500,000) of this grant amount to DNRI must be expended to assist households at or below 50% AMI. The balance of the grant can be used to assist households up to 120% AMI.