

1 **BY AUTHORITY**

2 ORDINANCE NO. _____
3 SERIES OF 2018

COUNCIL BILL NO.
COMMITTEE OF REFERENCE:

6 **A BILL**

7 **For an ordinance to amend Article IV of Chapter 27 (Housing) of the Revised**
8 **Municipal Code relating to affordable housing.**

10 **WHEREAS**, Article IV was first adopted in August of 2002 and amended in October of 2006,
11 June of 2013, and August of 2014; and

12 **WHEREAS**, the City and County of Denver has experienced a significant number of units
13 becoming non-compliant with the affordable housing program; and

14 **WHEREAS**, a portion of the non-complaint purchasers appear to have purchased without
15 understanding the covenants and restrictions on the MPDU properties; and

16 **WHEREAS**, the City has significant investment in the MPDUs and need for maintaining the
17 MPDUs as affordable for the full term of affordability; and

18 **WHEREAS**, the City believes pursuing eviction of the unaware homeowners could be a
19 significant use of City time and resources; and

20 **WHEREAS**, an amendment is necessary to allow the City additional options to manage the
21 enforcement process.

22 **NOW THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF**
23 **DENVER:**

24 **Section 1.** That Chapter 27-111, "Covenants", of the Revised Municipal Code is hereby
25 amended by adding the language underline as follows:

26 **Sec. 27-111. Covenants and Liens.**

27 (a) The applicant shall execute and pay the recording fees for OED to record with the clerk
28 and recorder for the City and County of Denver a completed covenant on the MPDU property, which
29 shall comply with the provisions in the rules and regulations promulgated hereunder. Partnerships,
30 associations or corporations shall not evade this article through voluntary dissolution.

31 (b) The covenants shall at a minimum contain the information that the property value and that
32 use and resale are restricted and shall set forth the control period, the maximum purchase price
33 calculation, the eligibility requirements, penalties for violation, and any other restriction provided
34 herein or in the rules and regulations adopted hereunder. The covenants shall also include provisions
35 which govern the first resale within ten (10) years after the end of the control period ("final MPDU
36 sale") as set forth in [section] 27-112.

1 (c) The director may waive the covenant restrictions on the resale prices for MPDUs if the
2 director finds that the restrictions conflict with regulations of federal or state housing programs and
3 thus prevent eligible households from buying dwelling units under the MPDU program. Any waiver
4 shall be in writing and signed by the director, shall reference the recorded covenant, and shall be
5 recorded in the records of the clerk and recorder for the City and County of Denver, Colorado.

6 (d) At the time of conveyance, all grantors of MPDUs shall require the grantee to execute a
7 memorandum of acceptance which states that the conveyed property is a MPDU and is subject to
8 the restrictions contained in the covenants required under this article during the control period.

9 (e) In settlement of any disputed matter, an applicant or homeowner may execute a
10 performance deed of trust in favor of the city as part of the agreed upon settlement with the city.

11 (f) The director shall release the covenants and performance deed of trust upon a finding that
12 all amounts due the city's special revenue fund have been received and all other provisions of the
13 covenant have been satisfied.

14
15 **Section 2.** That subsection (g) of Chapter 27-116, "Regulations; enforcement", of the
16 Revised Municipal Code is hereby amended by adding the language underlined and deleting the
17 language stricken as follows:

18 **Sec. 27-116. Regulation; enforcement.**

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20
21 (g) In addition to or instead of any other available remedy, the director may take legal action
22 to:

23 (1) Enjoin an MPDU owner who violates this article, or any covenant signed or order issued
24 under this article, from continuing the violation; ~~or~~

25 (2) Require an owner to sell an MPDU owned or occupied in violation of this article to an
26 eligible household; or

27 (3) Recapture a lost term of affordable housing.
28

29 COMMITTEE APPROVAL DATE:

30 MAYOR-COUNCIL DATE:

31 PASSED BY THE COUNCIL: _____

32 _____ - PRESIDENT

33 APPROVED: _____ - MAYOR _____

34 ATTEST: _____ - CLERK AND RECORDER,
35 EX-OFFICIO CLERK OF THE
36 CITY AND COUNTY OF DENVER

37 NOTICE PUBLISHED IN THE DAILY JOURNAL: _____; _____

38 PREPARED BY: Laurie J. Heydman, Assistant City Attorney DATE:

39 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
40 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed

1 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to
2 §3.2.6 of the Charter.

3 Kristin M. Bronson, Denver City Attorney

4 BY: _____, Assistant City Attorney DATE: _____

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