

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 1/09/2023

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. Title: (Start with *approves*, *amends*, *dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves the funding agreement between the City and County of Denver and the Housing Authority of the City and County of Denver in the amount of \$693,810. Under contract control number HOST-202266093

3. Requesting Agency: Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Adam Lyons	Name: Sabrina Allie and Derek Woodbury for Mayor-Council
Email: Adam.Lyons@denvergov.org	Email: sabrina.allie@denvergov.org and derek.woodbury@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

Denver was awarded a total of \$1,429,993 from the Colorado Department of Local Affairs (DOLA) to assist with the Villa Park and West Denver Renaissance Collaborative (WDRRC) Accessory Dwelling Unit (ADU) projects. Specifically, \$736,183 for the Villa Park Project and \$693,810 for the WDRRC ADUs project.

The Affordable Housing Development Incentives Grant Program is part of HB21-1271 DOLA Innovative Housing Strategies. The intent of the program is to carry out the purposes of HB21-1271, which seeks to promote the development of innovative affordable housing projects. HB21-1271 explicitly prioritizes geographic and housing type diversity and local action that is permanent, impactful, and exemplary of best practices in affordable housing development.

Eligibility:

- Projects

Definition: "Affordable housing" is defined in the statute as housing for families or individuals earning up to 80% of the area median income (AMI) for rental housing and up to 140% AMI for affordable homeownership. Applicants should demonstrate that the project addresses one or more AMI ranges with significant local need. Affordable housing can include both income- and deed-restricted units and naturally occurring affordable housing (NOAH) as long as rents meet the AMI limits.

- Eligible expenses may include but are not limited to the following: Local government fees related to residential development (including tap fees levied by special district water utilities), local government development review costs associated with rezoning for residential (e.g., traffic demand studies), infrastructure extensions for affordable or mixed-income developments, improvements to an affordable housing or mixed income project (e.g., construction or rehabilitation costs, façade improvements, landscaping, playground/park or other amenities on site), land acquisition dedicated for future affordable projects, predevelopment costs (with pre-approval from DOLA).

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Date Entered: _____

DOLA scored projects based on the following criteria:

- Readiness and capacity
- Impact on housing needs
- Sustained and equitable support
- Community benefits
- Sustainable development
- Extra points- Rehabilitation/Repurpose, energy efficient standards, long-term affordability

6. City Attorney assigned to this request (if applicable):

Eliot Schaefer

7. City Council District:

Scattered sites

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):
Grant Agreement

Vendor/Contractor Name:

Housing Authority of the City and County of Denver

Contract control number:

HOST-202266093

Location:

At least 70% of the ADUs will be constructed in West Denver Renaissance Collaborative Neighborhoods (West Colfax, Villa Park, Auraria, Sun Valley, Lincoln Park, West Barnum, Barnum, Valverde, Westwood, Athmar Park), no more than 30% may be built City-wide where zoning allows.

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

Grant execution date through 03/31/2024

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
<i>(A)</i>	<i>(B)</i>	<i>(A+B)</i>
\$693,810		

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
Grant execution date through 03/31/2024		

Scope of work:

WDRC ADU's: Grant amount of \$693,810

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DHA launched the Single Family Plus ADU Pilot Program and is partnering with homeowners to build ADUs as both a wealth-building strategy and to grow the much-needed affordable housing inventory in West Denver. While this scale of housing ("gentle density") works well in single-family neighborhoods, the scale is challenging due to disproportionate infrastructure costs (sidewalk, alley, utility tap fees etc) triggered during the permitting for each new ADU unit. In addition, the focus on historically underinvested neighborhoods means the condition or nonexistence of infrastructure creates disproportionate cost impacts. West Denver ADU's will develop a total of 30 eligible units by June 30, 2024.

Site Development Scope:

Government fees and permits per ADU (30 units)		
Sewer use & drainage permit (base plus 3% increase/yr		\$ 5,275.00
Water fee (base plus 2.2 increase/yr		\$ 1,984.00
Building permit (size dependent, 2% increase		\$ 1,500.00
Total Fees/Permits		\$ 265,650.00
Summar DOLA Eligible ADU Costs - for 30 units projected by June 2024		
Fees/permits per ADU @ 30 units		\$ 265,650.00
2022 units 18 (avg site cost \$10,900)		\$ 196,200.00
2023/2024 units 12 (avg site cost \$13,080)		\$ 156,960.00
Unforeseen infrastructure reqs, 25% of units (avg \$10,000)		\$ 75,000.00
Total Fees/Permits		\$ 693,810.00

Was this contractor selected by competitive process? N/A If not, why not? N/A

Has this contractor provided these services to the City before? Yes No

Source of funds:
State and Local Fiscal Recovery Funds (SLFRF)

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts):
N/A

Who are the subcontractors to this contract?
N/A

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