

ORDINANCE/RESOLUTION REQUEST

Date of Request: August 12, 2019

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:** Approves a grant agreement (revenue contract) for the Office of Economic Development (OED)* to receive \$2,935,765 in HOME Investment Partnership (HOME) funds from the U.S. Department of Housing & Urban Development (HUD) for the 2019 program year. OED utilizes these annual entitlement funds from HUD to provide funding for services and projects supporting housing program areas.

3. **Requesting Agency:** Office of Economic Development (OED)*

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Rachel King 720-913-1669	Name: Susan Liehe 720-913-1689
Email: rachel.king@denvergov.org	Email: susan.liehe@denvergov.org

5. **General a text description or background of the proposed request, if not included as an executive summary.**

See Executive Summary

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

7. **City Council District:** All

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: U.S. Department of Housing & Urban Development (HUD)

Contract control number: OEDEV-201951391

Location: Citywide

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):

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

<i>Current Contract Amount</i> <i>(A)</i>	<i>Additional Funds</i> <i>(B)</i>	<i>Total Contract Amount</i> <i>(A+B)</i>
\$2,935,765	0	\$2,935,765

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
January 1, 2019 – December 31, 2019	n/a	n/a

Scope of work:

To execute the FY 2019 grant agreement for US Department of Housing and Urban Development (HUD) for the HOME Investment Partnership (HOME) program:

FUND/COST CENTER: 16004-0145100

AWARD: AWD-00000741: M-19-MC-08-0204

AMOUNT: \$2,935,765

Was this contractor selected by competitive process? n/a

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

Source of funds: HOME Investment Partnership (HOME), authorized under Title 2 of the Cranston-Gonzalez National Affordable Housing Act of 1996, as amended; [42 U.S.C. 12701](#) et seq.

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

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

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

The HOME Investment Partnership (HOME) grant from the U.S. Department of Housing & Urban Development (HUD) provides formula grants to states and localities that communities use, often in partnership with local nonprofit groups, for building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

The program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.

- HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- HOME's technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners.
- HOME's requirement that grantees match 25 cents of every dollar in program funds mobilizes community resources in support of affordable housing.

HUD's annual formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

HOME-assisted rental housing must comply with certain rent limitations. HOME rent limits are published each year by HUD along with maximum per unit subsidy limits and maximum purchase-price limits.

The eligibility of households for HOME assistance varies with the nature of the funded activity. In general, the incomes of households receiving HUD assistance must not exceed 80% AMI. For rental housing and rental assistance, at least 90% of benefiting families must have incomes that are no more than 60% AMI. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% AMI.

Local HOME funds have decreased 33% since 2009. Denver's 10-year summary of HOME allocations is as follows:

Program	Program Year	Authorized Amount
HOME	2009	\$4,384,470.00
HOME	2010	\$4,365,893.00
HOME	2011	\$3,845,109.00
HOME	2012	\$2,297,539.00
HOME	2013	\$1,913,284.00
HOME	2014	\$1,991,195.00
HOME	2015	\$2,222,535.00
HOME	2016	\$2,363,638.00
HOME	2017	\$2,362,617.00
HOME	2018	\$3,221,104.00
HOME	2019	\$2,935,765.00

* NOTE: OED is in transition to become Denver Economic Development & Opportunity, or DEDO, upon the execution of an Executive Order this fall. Also in transition is the creation of a new city entity, the Department of Housing Stability (HOST). However, for the purposes of the 2019 funding contracts from HUD currently being executed for CDBG, HOME, and HOPWA, the receiving entity contractually is OED.