

OED ORDINANCE/RESOLUTION REQUEST

Please mark one: Bill Request or Resolution Request Date of Request: 9/24/18

1. Type of Request:

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

2. Title: Approves revisions to the City and County of Denver’s Affordable Housing Preservation Ordinance (D.R.M.C. Section 27, 1-51), including revising definitions and procedures, intended to clarify the Ordinance’s applicability to income-restricted properties within the City of Denver, with proposed revisions including that the minimum period a property can be income-restricted in exchange for city subsidy would increase from 20 to 60 years.

3. Requesting Agency: Office of Economic Development

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Haley Jordahl 720-913-1707	Name: Susan Liehe 720-913-1689
Email: haley.jordahl@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):

Julie Mecklenburg

7. City Council District: Citywide

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

To be completed by Mayor’s Legislative Team:

Resolution/Bill Number: BR18 1089

Date Entered: _____

Key Contract Terms

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

Vendor/Contractor Name:

Contract control number:

Location:

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>Additional Funds</i>	<i>Total Contract Amount</i>
<i>(A)</i>	<i>(B)</i>	<i>(A+B)</i>
\$0	\$0	\$0

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>

Scope of work:

See Executive Summary.

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

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

Source of funds:

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

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

Who are the subcontractors to this contract?

N/A

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EXECUTIVE SUMMARY

A primary goal of *Housing an Inclusive Denver*, the city's five-year comprehensive housing plan, is the preservation of the city's income-restricted housing stock. The Preservation Ordinance is Denver's primary legislative tool to support the preservation of affordable housing, primarily through the provision of notice prior to the sale of income-restricted property and the provision to the city of a Right of First Refusal when income-restricted properties are sold.

The proposed legislative action – and the Rules and Regulations that will be adopted following the implementation of the Ordinance changes – will improve the Office of Economic Development's ability to implement and enforce the requirements of the Preservation Ordinance. By improving the city's ability to implement the Ordinance, the city will better be able to support the preservation of affordable housing.

The proposed changes would seek to revise portions of the City and County of Denver's Preservation Ordinance to include the following:

- **Sec. 27-1 – City Authority:** This insertion would clarify the City and County of Denver's ability to acquire, develop, redevelop, rehabilitate, operate and maintain residential affordable housing property. This is intended to explicitly state the city's position as it relates to ownership of affordable housing properties and home rule, particularly in light of C.R.S. 29-4-101 through 107 and *People ex rel. Stokes v. Newton*, 101 P.2d 21 (1940), and to resolve any perceived conflict or limitation.
- **Clarifying Changes to Ordinance:** The majority of proposed updates to the Preservation Ordinance are minor revisions intended to clarify the Ordinance's applicability. The clarifying changes include a) the addition of definitions for terms not previously defined within the Ordinance; b) the revision of the definitions of key terms that had previously been inconsistently defined; and c) the revision of language on implementation processes that had previously been vague. The proposed clarifying revisions do not alter the substance or requirements of the Ordinance.
- **Sec 27-50 – City Subsidy Projects – Long Term Affordability Requirements:** This insertion would increase the minimum period of time that a property must be income-restricted in exchange for subsidy from the City and County of Denver from 20 years to 60 years. The revision is proposed in response to a) peer city feedback; b) stakeholder outreach, including outreach to the development and real estate finance community; and c) analysis of the City's toolkit to preserve income-restricted housing. The increase in the City's minimum affordability period will allow the City to establish a pool of stable, long-term affordable housing that is less vulnerable to conversion to market rate. The proposed revision would impact properties funded in the future; it would not retroactively impact properties that have already received City subsidy.

In addition to the proposed updates to the Preservation Ordinance, OED staff have developed Rules and Regulations to support the Preservation Ordinance. The Rules and Regulations are intended to clarify the requirements of the Preservation Ordinance in order to improve implementation processes and establish predictability for owners of income-restricted housing. The Rules and Regulations have been reviewed by stakeholders in the development community via in-person meetings and opportunities for feedback on the text of the draft. After the adoption of the proposed updates to the Preservation Ordinance, OED staff will pursue the administrative process to adopt the Rules and Regulations supporting the Preservation Ordinance.

To be completed by Mayor's Legislative Team: