

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

All fields must be completed.

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: February 24, 2014

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

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. Title: An ordinance request to amend the Stapleton Development Agreement (Attachment E – Affordable Housing Plan) between Forest City Enterprises, Inc. and the City and County of Denver.

3. Requesting Agency: Office of Economic Development

4. Contact Person:

- **Name:** Stephanie Inderwiesen
- **Phone:** 720-913-1634
- **Email:** stephanie.inderwiesen@denvergov.org

5. Contact Person:

- **Name:** Seneca Holmes
- **Phone:** 720-913-1533
- **Email:** seneca.holmes@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable: The proposed ordinance request modifies the Stapleton Development Agreement (Attachment E – Affordable Housing Plan) between Forest City Enterprises, Inc. and the City and County of Denver. This modification will allow the following:

1. The Covenant will be renamed "Notice of Voidability of Title Transfer and Affordable Housing Covenant" to increase awareness of restrictions.
2. The Covenant control period will be reduced from thirty (30) years to (15) years.
3. Affordable homeowners will have the following options at resale:
 - a) Homeowners may sell their unit to a higher income eligible buyer, depending on length of ownership:
 - b) If the unit remains unsold after an active marketing period, the unit may be sold to a City approved non-profit 501(c)(3) partner, governmental or quasi-governmental entity.
4. Homeowners may rent the unit after actively marketing the unit for sale.
 - a) Rental must occur through a City approved partner;
 - b) Rent and eligible income may not exceed 65% area median income, depending on unit type.

The Affordable Covenant will remain in effect during the rental period; rental periods will not be included in the total duration of the control period.

- a. **Contract Control Number:** TBD
- b. **Duration:** Development agreement extends through 2018
- c. **Location:** Stapleton
- d. **Affected Council District:** District 11 – Stapleton
- e. **Benefits:** The modification will provide an added level of flexibility for current Stapleton homeowners by providing alternative options at the time of resale and expand the buyer pool for existing Stapleton affordable units.
- f. **Costs:** \$0

7. Is there any controversy surrounding this ordinance?

Please explain: There is potential concern about the reduction of the covenant length from 30 years to 15.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

ORDINANCE/RESOLUTION REQUEST

Executive Summary

Purpose: To modify the Stapleton Development Agreement between Forest City Enterprises, Inc. and the City and County of Denver to provide an added level of flexibility for current Stapleton homeowners.

Contract Entity: Office of Economic Development

Contract Control Number: N/A

Contract Amount: \$0

Program: Affordable Housing Development Agreement

Location: Stapleton

Description:

History

On February 8, 2012 the Stapleton Development Corporation (“SDC”), in conjunction with Forest City issued a request to Mayor Hancock to “explore ways in which the City, SDC and Forest City can work together to resolve the challenges facing the affordable for sale program.” As a result of this request, the Stapleton Working Group was created to seek flexible solutions for current homeowners. The Stapleton Working Group consisted of members the City, Forest City, City Council, Stapleton Citizen Advisory Board (“CAB”) and the Stapleton Housing Diversity Committee and met many times throughout the duration. Taken in to consideration were: (1) current Stapleton affordable homeowners and possible relief as a result of a declining housing market; (2) the City’s goal of preserving and creating affordable housing; (3) salability of the affordable units for the Developer; and (4) the Stapleton Green Book concept.

Current Status

The Stapleton proposal was formally presented to the Stapleton Housing Diversity Committee July 11, 2013 and received positive comment and support to move forward. The proposal was then presented to the CAB on July 25, 2013. CAB members expressed concern about the preservation of future affordable for sale housing in Stapleton. Specifically addressed was the proposal to reduce the current covenant term from thirty (30) years to fifteen (15) years. This action was proposed in an effort to create earlier owner wealth creation and increase salability of the unit for homeowners. This term also aligns with the Inclusionary Housing Ordinance covenant control period. Ultimately, the SDC issued a letter of support for the following actions:

1. The Covenant will be renamed "Notice of Voidability of Title Transfer and Affordable Housing Covenant" to increase awareness of restrictions.
2. The Covenant control period will be reduced from thirty (30) years to (15) years.
3. Affordable homeowners will have the following options at resale:
 - a) Homeowners may sell their unit to a higher income eligible buyer, depending on length of ownership;
 - b) If the unit remains unsold after an active marketing period, the unit may be sold to a City approved non-profit 501(c)(3) partner, governmental or quasi-governmental entity.
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The Affordable Covenant will remain in effect during the rental period; rental periods will not be included in the total duration of the control period.

These actions require a modification of the Stapleton Development Agreement.

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