

ORDINANCE/RESOLUTION REQUEST

**Please email requests to the Mayor’s Legislative Team
at MileHighOrdinance@DenverGov.org by NOON on Tuesday.**

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 08/09/2010

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: The original contract was executed 09/22/2009. No new funds are requested. Original contract Control No: GE-9A030

2. Title: To allow the execution of an amended grant agreement between City and County of Denver and Neighborhood Development Collaborative, Inc. (NDC) for the Neighborhood Stabilization Program 1 (NSP1).

Contract Control No.: GE-9A030

3. Requesting Agency: Office of Economic Development-Business and Housing Services

4. Contact Person: *(with actual knowledge of proposed ordinance)*

- **Name:** Melissa Stirdivant
- **Phone:** 720-913-1541
- **Email:** melissa.stirdivant@denvergov.org

5. Contact Person: *(with actual knowledge of proposed ordinance who will present the item at Mayor-Council and who will be available for first and second reading, if necessary)*

- **Name:** Melissa Stirdivant
- **Phone:** 720-913-1541
- **Email:** melissa.stirdivant@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

This ordinance approves a grant agreement amendment with Neighborhood Development Collaborative, Inc. (NDC) to modify the number of units to be developed, defines program income vs. program revenue, expands eligible neighborhoods, and to modify the line items in the budget. This contract was originally executed September 24, 2009 and was a part of the Neighborhood Stabilization Program funding Denver received through the Housing and Economic Recovery Act (HERA) of 2008. HERA originally established the NSP and appropriated funds to address the effects of abandoned and foreclosed properties in the nation’s communities. (Executive Summary Attached)

Please include the following:

- a. Duration:** June 1, 2009-March 20, 2019
- b. Location:** Citywide
- c. Affected Council District:** Citywide
- d. Benefits:** Elimination of abandoned and foreclosed properties and expanded affordable housing opportunities for low-, moderate- and middle-income households.
- e. Costs:** \$3,079,153 (No new funds are being requested.)

7. Is there any controversy surrounding this ordinance? (groups or individuals who may have concerns about it?) **Please explain.** No know controversy.

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date: _____

Ordinance Request Number: _____

Date: _____

ORDINANCE/RESOLUTION REQUEST

Executive Summary

Purpose: To make minor changes regarding HUD eligibility requirements and miscellaneous reporting requirements

No new funding is requested.

Contract Entity: Neighborhood Development Collaborative, Inc. (NDC)

Contract Control Number: GE-9A030

Contract Amount: \$3,079,153

Program: Neighborhood Stabilization Program 1 (NSP1)

Location: Neighborhoods with high rates of home foreclosures, homes financed by sub-prime mortgages, homes in default or delinquency and abandonment risk; as described by the United States Department of Housing and Urban Development (HUD). Neighborhoods included in NSP 1 are: Athmar Park, Barnum, Barnum West, Chaffee Park, Clayton, Cole, College View, East Colfax, Elyria/Swansea, Five Points, Globeville, Green Valley Ranch, Harvey Park, Jefferson Park, Mar Lee, Montbello, Northeast Park Hill, North Park Hill, Ruby Hill, Skyland, Sunnyside, Villa Park, West Colfax, Westwood, and Whittier.

Description:

- **Grant Objective:** To assist local governments in addressing the effects of abandoned and foreclosed properties in the nation's communities. Eligible activities include:
 - Financing for the purchase and redevelopment of foreclosed residential properties.
 - Purchase and rehabilitation of abandoned homes and residential properties.
 - Redevelopment of vacant properties.
 - Acquire and land bank properties for potential redevelopment.
- To amend an existing contract with Neighborhood Development Collaborative, Inc. to modify some portions of the program to allow us to better respond to neighborhood conditions as the foreclosure environment has changed and regulations established by HUD have been fine-tuned and clarified. This contract amendment is to incorporate changes and clarifications into the existing contract. The changes are as follows:
 - Correction of the Catalog of Federal Domestic Assistance (CFDA Number), a federal tracking number.
 - Clarifying that the Contractor (NDC) is a Beneficiary.
 - To increase the eligible neighborhoods from 12 to 25 as reflected above.
 - Amend the contract to reflect that NDC will be the Beneficiary for all Promissory Notes and Deeds of Trust executed by purchasers of the rehabilitated homes.

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- All revenue generated from the sales of the homes purchased and rehabilitated with NSP1 funding will be designated program revenue rather than program income. HUD regulations allow for Beneficiary/Developer grantees to retain all program revenue. All earned program revenue will be used for additional NSP1 eligible activities.
- NDC, because of their designation as a Beneficiary, will not be subject to an A-133 audit or a single audit.
- No additional funding is being allocated to the contract.
- The number of homeownership units estimated to be acquired, rehabbed, and sold or redeveloped has been reduced to 45 units to reflect increased costs for the purchase and rehabilitation of the properties.
- The number of rental units estimated to be provided has been reduced to 36 units to reflect increased costs for the purchase and rehabilitation of the properties.
- All other terms and conditions of the contract will remain the same.

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