

Sun Valley Homes Urban Redevelopment Plan



City Council Finance and Governance Committee:

Ordinance #22- 0937 Sun Valley Homes Urban Redevelopment Plan

Ordinance #22- 0938 Sun Valley Homes Cooperation Agreement

Sun Valley Homes Urban Redevelopment Area ("URA")



Property Owner: Denver Housing Authority
(Redeveloper) & Public Service CO

Size: ~35 Acres

Location: Sun Valley, Council District 3

Zoning: C-RX-8, C-MX-12, I-A

Current Uses in the URA:

- Former Sun Valley Homes public housing site
- Unused tank farm and vacant industrial property

Sun Valley Neighborhood Transformation

- 2013/2014: Decatur-Federal Station Area Plan/General Development Plan adopted
- 2016: DHA/City awarded HUD Choice Neighborhood Implementation Grant which begins Sun Valley Transformation
- 2019/2020: First two phases of redevelopment begin
- Final housing phases of DHA/CITY HUD Choice Neighborhood redevelopment to be located in the URA



Proposed URA
Boundary

Sun Valley Homes Redevelopment Plan: Potential DURA boundaries



Urban Redevelopment Area Boundary

- ≈ 35 acres
- Includes vacant Sun Valley Homes site & industrial property
- Area where DURA can conduct urban renewal activity
- Potential to add additional tax increment area to support industrial property redevelopment

Initial Property Tax Increment Area Boundary

- Area where DURA/DHA is requesting the ability to collect property tax increment
- Only includes vacant Sun Valley Homes site

Project Area Boundary

- DHA is seeking to redevelop the vacated Sun Valley Homes site
- Tax increment utilized to assist redevelopment efforts within this area

Sun Valley Homes Redevelopment Plan: Project Description



The Project:

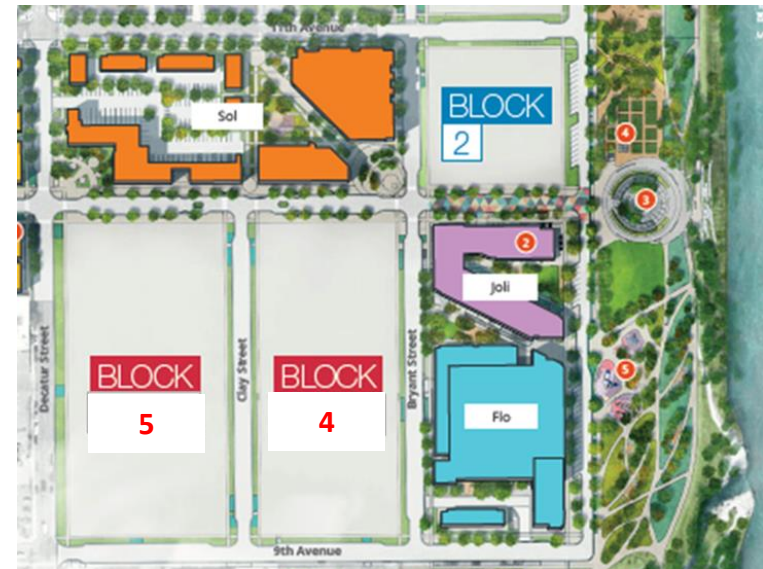
- Redevelopment of Sun Valley Homes site infrastructure that will accommodate the transformation of the area into an urban mixed-income neighborhood center consistent with the adopted plans for the area
- Project will allow for delivery of final housing component of DHA's Transformation Plan

DURA assistance only associated with land development burden.

- Civil infrastructure improvements include:
 - Creation of new riverfront park and plazas
 - Construction of a new Riverfront Drive along the park from 11th Ave. to 9th Ave.
 - Extension of Bryant Street & 10th Ave
 - Modernization of the existing rights-of-way to include appropriate pedestrian and bicycle accommodations
 - Stormwater and sanitary sewer upgrades

Completed Project Area: Five urban blocks & park

- DHA will retain ownership of two blocks for Sol, Joli and Flo mixed-income housing developments
- DHA will sell three blocks (2, 4 & 5) to private, market-rate residential developers

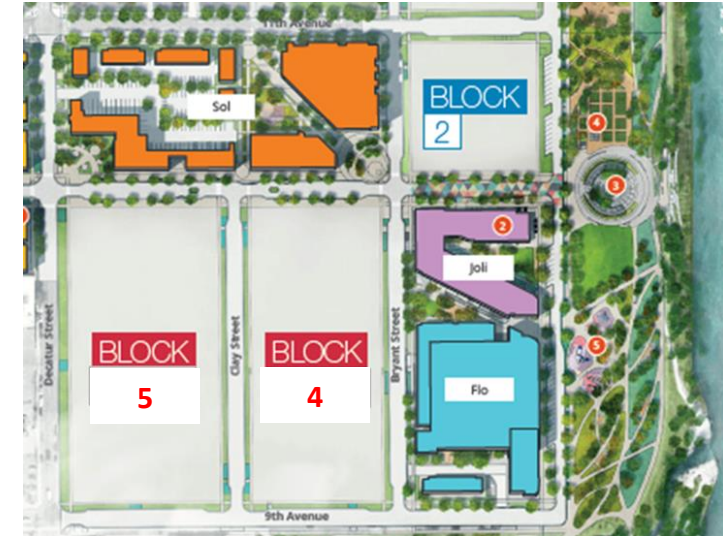


Sun Valley Homes Redevelopment Plan: Development Program



Projected Development by Block

Owner/Developer	Block	Housing Type	Acres	Units
DHA	B1 - Sol	Apt	3.33	169
Private Developer	B2	Apt	1.43	230
DHA	B3 N - Joli (family hsg)	Apt	1.17	133
DHA	B3 S - Flo Senior Tower	Apt	1.71	212
Private Developer	B4 North	Apt	1.04	114
Private Developer	B4 Mid	Stacked Flat	2.36	72
Private Developer	B5 North	Apt	3.40	292
Private Developer	B5 South	TH	0.50	10
DHA	B1&3 - TH (Affordable)	TH	0.23	16
Private Developer	B1&3 - TH (Market)	TH	0.41	26
Total			15.58	1,274
DHA	B1, B3		6.44	530
Private Development	B2, B4, B5, B1&3 (TH)		9.14	744



DHA Development Program*

Bedroom Count for DHA Developments in URA

DHA Projects	Total Units	1BR	2BR	3BR	4BR	5BR
Sol	169	43	72	30	24	0
Joli	133	62	49	9	7	6
Flo (Senior)	212	202	10	0	0	0
Total	514	307	131	39	31	6

Affordability Mix for DHA Developments in URA

DHA Projects	Total Units	30% AMI	40% AMI	50% AMI	60% AMI	70%-80% AMI	> 80% AMI
Sol	169	46	21	12	0	53	37
Joli	133	37	13	4	6	23	50
Flo (Senior)	212	83	0	23	106	0	0
Total	514	166	34	39	112	76	87

*DHA still refining 16-unit townhome development program

Sun Valley Homes Urban Redevelopment Plan

DURA Analysis – Is it Blighted?



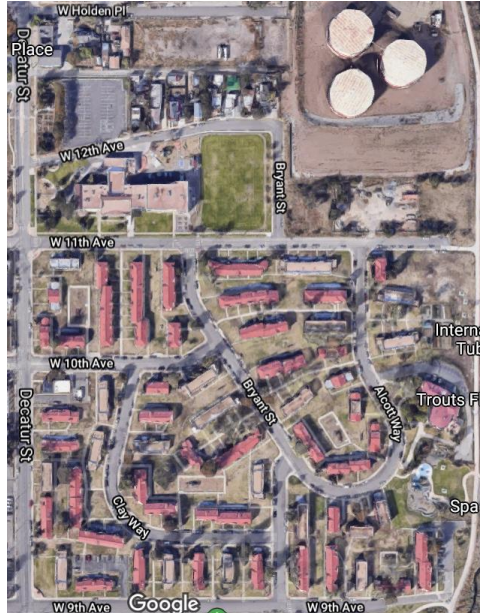
Blighted Area definition: *an area that, in its present condition and use and, by reason of the presence of **at least four** of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:*

11 Factors of Blight:

1. Deteriorated or deteriorating structures
2. **Defective or inadequate street layout**
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
4. **Unsanitary or unsafe conditions**
5. **Deterioration of site or other improvements**
6. **Unusual topography or inadequate public improvements or utilities**
7. Defective or unusual conditions of title rendering the title non-marketable
8. Conditions that endanger life or property by fire or other causes
9. Buildings that are unsafe or unhealthy for people to live or work in
10. **Environmental contamination of buildings or property**
11. **Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements**

Sun Valley Homes Urban Redevelopment Plan

DURA Analysis – Is it Blighted? Conditions Study Exhibits



Sun Valley Homes Urban Redevelopment Plan: City Plan Compliance



Goals related to creating mixed-income housing communities

“Create a greater mix of housing options in every neighborhood...”

“Ensure neighborhoods offer a mix of housing types and services for a diverse population”

“Increase the development of affordable housing and mixed-income housing particularly in areas near transit, services and amenities.”

“Capture 80% of new housing growth in regional centers, community centers and corridors...”

“Promote and incentivize the development of affordable and family-friendly housing...in and near regional centers, community centers and community corridors.”

“Support a mixture of incomes”

“Create high quality residential communities”

Goals related to parks and open space

“Create and preserve parks and public spaces that reflect the identity of Denver’s neighborhoods.”

“Ensure equitable access to parks and recreation amenities for all residents.”

“Expand the supply of parks...relative to Denver’s population growth.”

“Ensure attractive streets and outdoor spaces in all centers and corridors, giving priority to pedestrian spaces and amenities.”

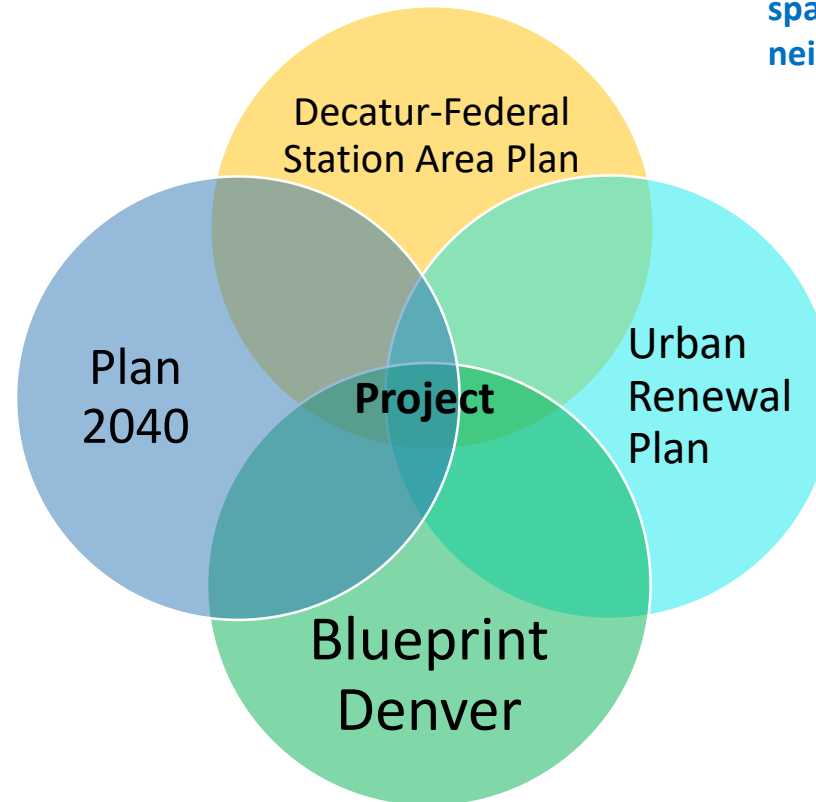
“Expand tools and regulations to ensure high-quality parks and outdoor public spaces keep pace with Denver's growth.”

“Improve the visual environment.”

“Ensure all residents and employees have access to recreation.”

“Clean up riverfront heavy industry.”

“Establish new riverfront park and riverfront park drive.”



An Equitable City

Planning for social equity and
guiding change to benefit everyone

The Project area and surroundings have:

- **Low** access to Opportunity
- **High** Vulnerability to Displacement
- **Moderate** Housing and **Low** Job Diversity



Staff considerations:

- Project will support the infrastructure needed to create a dense and diverse supply of housing including significant portion of affordable housing
- Project will increase density of housing in close proximity to public transit and other services
- Project will increase supply of quality-of-life amenities including a new riverfront park and other open spaces

Sun Valley Homes Urban Redevelopment Plan: Objectives



The main objectives of the Urban Redevelopment Plan are to:

- Eliminate blight; renew and improve character of the Area.
- Improve access to transportation options, parks and open space.
- Promote a diverse mix of housing options.
- Promote equitable access to basic services and amenities.
- Enhance the multimodal transportation network serving the Area.
- Encourage land use patterns that result in a more environmentally sustainable city.
- Encourage land use patterns that result in a more pedestrian-oriented city.
- Encourage the creation of a complete and inclusive neighborhood.
- More effectively use underdeveloped land within the Area.
- Encourage land use patterns within Area and its environs where pedestrians are safe and welcome.
- Improve the economy of the City by upgrading property value.
- Encourage high and moderate density development where appropriate.
- Achieve the goals as outlined in adopted City Plans.

Sun Valley Homes Urban Redevelopment Plan: Tax Increment Commitment



TIF Commitment:

- Financial commitment: \$10.3MM property tax increment reimbursement obligation

Sources of Funds			Uses of Funds		
	\$	%		\$	%
Land Sale Revenue	\$22,626,671	47%	Tenant Relocation	\$537,965	1%
City Funds	\$3,000,000	6%	Hard Costs	\$33,666,352	71%
HUD Funds	\$6,954,272	15%	Demo., Enviro & Earthwork	\$6,472,052	14%
DHA Funds	\$4,812,530	10%	Streets, Irrigation, Lighting	\$7,765,687	16%
Tax Increment	\$10,300,000	22%	Dry Utilities	\$1,188,982	2%
			Stormwater Improvements	\$7,658,669	16%
			Water & Sanitary Improvements	\$2,025,162	4%
			Riverfront Park & Plazas	\$8,555,800	18%
			Soft Costs	\$9,274,815	19%
			Financing Costs	\$4,214,341	9%
Total Sources of Funds	\$47,693,473	100%	Total Project Budget	\$47,693,473	100%

Project Considerations:

- Eligible Project Costs: civil infrastructure improvements (streets, utilities) and park development costs
- TIF will assist the creation of needed infrastructure to deliver final housing components of neighborhood transformation and desired neighborhood amenities

Sun Valley Homes Urban Redevelopment Plan: Plan Components



- Makes required legislative findings
- Describes the Urban Redevelopment Area and Plan Objectives
- Describes Project Activities
- Authorizes Tax Increment Financing
- Requires land use within the Urban Redevelopment Area to conform with Comprehensive Plan 2040 and applicable ordinances and regulations, including zoning, of the City
- Requires application of various DURA programs
 - Project Art
 - First Source Hiring
 - Small Business Enterprise Utilization
 - Construction Employment Opportunities
 - Prevailing Wage (when applicable)

Sun Valley Homes Urban Redevelopment Plan: Additional Agreements



- DURA/City Cooperation Agreement
 - Addresses collection and remittance of property tax increment to support redevelopment
 - Term of Agreement – earlier of DURA obligation or 25 years
- DURA Urban Drainage and Flood Control District Letter Agreement
 - Ability to collect and utilize full amount of incremental property taxes from UDFCD mill levy
- DURA/DPS Intergovernmental Agreement
 - Ability to collect and utilize full amount of incremental property taxes from DPS mill levy
- DURA/Sun Valley Denver General Improvement District (“GID”) Agreement
 - DURA to pay to GID all amounts collected from GID mill levies
 - GID to use amounts to maintain public improvements in URA

Sun Valley Homes Redevelopment Plan: Proposed Schedule



- Denver Planning Board – August 3, 2022
 - Unanimously voted to recommend conformance with Comprehensive Plan 2040 and applicable supplements
- FinGov Council Committee – August 9, 2022
- DURA Board Meeting – August 18, 2022
 - Urban Redevelopment Plan
 - DURA City Cooperation Agreement
 - DURA Urban Drainage and Flood Control District Letter Agreement
 - DURA/DPS Intergovernmental Agreement
 - DURA/GID Intergovernmental Agreement
- City Council Consideration of Urban Redevelopment Plan, Cooperation Agreement:
 - First Reading – August 22, 2022
 - Public Hearing – August 29, 2022

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Questions?

