

# ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 08/19/2022

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:** (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves the Intergovernmental Grant Agreement between the Colorado Department of Local Affairs and the City and County of Denver in the amount of \$1,429,993 to assist with the Villa Park and WDRC ADUs projects

3. **Requesting Agency:** Department of Housing Stability (HOST)

## 4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: John Torres	Name: Sabrina Allie (Derek Woodbury will read at Mayor-Council)
Email: <a href="mailto:john.torres2@denvergov.org">john.torres2@denvergov.org</a>	Email: <a href="mailto:Sabrina.Allie@denvergov.org">Sabrina.Allie@denvergov.org</a> <a href="mailto:Derek.Woodbury@denvergov.org">Derek.Woodbury@denvergov.org</a>

## 5. General description or background of proposed request. Attach executive summary if more space needed:

Denver was awarded a total of \$1,429,993 from the Colorado Department of Local Affairs (DOLA) to assist with the Villa Park and West Denver Renaissance Corp (WDRC) Accessory Dwelling Unit (ADU) projects. Specifically, \$736,183 for the Villa Park Project and \$693,810 for the WDRC ADU project. Eligible costs cannot be reimbursed until after an agreement between DOLA and Denver is executed.

The Affordable Housing Development Incentives Grant Program is part of HB21-1271 DOLA Innovative Housing Strategies. The intent of the program is to carry out the purposes of HB21-1271, which seeks to promote the development of innovative affordable housing projects. HB21-1271 explicitly prioritizes geographic and housing type diversity and local action that is permanent, impactful, and exemplary of best practices in affordable housing development.

### Eligibility:

- Projects  
Definition: "Affordable housing" is defined in the statute as housing for families or individuals earning up to 80% of the area median income (AMI) for rental housing and up to 140% AMI for affordable homeownership. Applicants should demonstrate that the project addresses one or more AMI ranges with significant local need. Affordable housing can include both income- and deed-restricted units and naturally occurring affordable housing (NOAH) as long as rents meet the AMI limits.
- Eligible expenses may include but are not limited to the following: Local government fees related to residential development (including tap fees levied by special district water utilities), local government development review costs associated with rezoning for residential (e.g., traffic demand studies), infrastructure extensions for affordable or mixed-income developments, improvements to an affordable housing or mixed income project (e.g., construction or rehabilitation costs, façade improvements, landscaping, playground/park or other amenities on site), land acquisition dedicated for future affordable projects, predevelopment costs (with pre-approval from DOLA).

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DOLA scored projects based on the following criteria:

- Readiness and capacity
- Impact on housing needs
- Sustained and equitable support
- Community benefits
- Sustainable development
- Extra points- Rehabilitation/Repurpose, energy efficient standards, long-term affordability

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

Eliot Schaefer

**7. City Council District:**

3,7,9

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

**Key Contract Terms**

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

**Vendor/Contractor Name:**

State of Colorado, Department of Local Affairs

**Contract control number:**

HOST-202264286

**Location:**

Villa Park (sites along the Lakewood Gulch in Villa Park)

West Denver Renaissance Collaborative Neighborhoods (West Colfax, Villa Park, Auraria, Sunt Valley, Lincoln Park, West Barnum, Barnum, Valverde, Westwood, Athmar Park).

**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):**

08/08/2022-03/31/2024

**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>
\$1,429,993		

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
03/31/2024		

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**Scope of work:**

**Villa Park: Grant amount of \$736,183**

The Villa Park sites (sites along the Lakewood Gulch in Villa Park) are located in an area of Denver that either has never had infrastructure installed such as sidewalks, alleys, or installed a street in such a way as to not meet any engineering safety standards. These critical improvements will allow Habitat to build affordable homes for sale.

Villa Park will develop six affordable units with up to three ADU's.

**Site Development Scope:**

- Reconstruction of right of way including - \$1,000,000
  - Meade Street
  - Curb, Gutter & Sidewalk at frontages of all properties
  - Alley extension at Stuart property
  - Alley drive pans at Meade & Newton
- Extension of water line in Meade Street - \$50,000 (includes stubbing in services)
- Relocation of existing power pole on 1086 Meade Street - \$10,000
- Extension of sewer line for Stuart property - \$100,000

**WDRC ADU's: Grant amount of \$693,810**

DHA launched the Single Family Plus ADU Pilot Program and is partnering with homeowners to build ADUs as both a wealth-building strategy and to grow the much needed affordable housing inventory in West Denver. While this scale of housing ("gentle density") works well in single-family neighborhoods, the scale is challenging due to disproportionate infrastructure costs (sidewalk, alley, utility tap fees etc) triggered during the permitting for each new ADU unit. In addition, the focus on historically underinvested neighborhoods means the condition or nonexistence of infrastructure creates disproportionate cost impacts. West Denver ADU's will develop a total of 30 eligible units by June 30, 2024.

**Site Development Scope:**

Government fees and permits per ADU (30 units)		
Sewer use & drainage permit (base plus 3% increase/yr		\$ 5,275.00
Water fee (base plus 2.2 increase/yr		\$ 1,984.00
Building permit (size dependent, 2% increase		\$ 1,500.00
<b>Total Fees/Permits</b>		<b>\$ 265,650.00</b>
Summar DOLA Eligible ADU Costs - for 30 units projected by June 2024		
Fees/permits per ADU @ 30 units		\$ 265,650.00
2022 units 18 (avg site cost \$10,900)		\$ 196,200.00
2023/2024 units 12 (avg site cost \$13,080)		\$ 156,960.00
Unforeseen infrastructure reqs, 25% of units (avg \$10,000)		\$ 75,000.00
<b>Total Fees/Permits</b>		<b>\$ 693,810.00</b>

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

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

**Source of funds:**

State and Local Fiscal Recovery Funds (SLFRF)

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

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

Who are the subcontractors to this contract? N/A

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