

Safety Committee Update

July 18, 2018

Agenda

- Update on outreach
- Proposed draft terms of the IGA with the Denver Housing Authority
- Proposed timeline and next steps
- Questions/Discussion

Update on Outreach

- City team met with more than 35 stakeholder groups through April, May and June
- Discussed framework at May, June and July meetings of full HAC and subcommittees
- DHA outreach on modeling of the outcomes from bond investment with experts in land acquisition, development and service providers in June and July
 - Feedback from technical experts indicated support for DHA's model projections and assumptions with minor cost adjustments

Proposed Terms of DHA IGA - Timeline

- Agreement would commence on January 1, 2019 and terminate on December 31, 2038 (20 years)
 - Units will be developed, rehabilitated or preserved at DHA sites by December 31, 2024 (5 years)
 - “Developable Properties” including land and existing buildings will be acquired by December 31, 2024 (5 years)
 - Units will be developed, rehabilitated or preserved at Developable Properties by December 31, 2029 (10 years)

Proposed Terms of DHA IGA – Payment

- City will provide to DHA the mill levy tax revenues from the Affordable Housing Fund pursuant to Article V of the DRMC
- Payments to DHA will be subject to annual appropriations from City Council and will be made in annual installments starting January 31, 2019
- In the event that City Council does not appropriate the property tax in a particular fiscal year, the succeeding year's appropriation may include the prior fiscal year's appropriation

Proposed Terms of DHA IGA – DHA Development Projects

- No less than 1,294 total units will be developed at three catalytic redevelopments:
 - Sun Valley Project: 932 units, including preservation/replacement of 333 units of existing affordable rental housing
 - Westridge Project: 290 units, including preservation/replacement of 200 units of existing affordable rental housing
 - Shoshone Project/Alternative Site: 72 units
- Units will be a mix of affordability levels at 0-30% AMI, 31-60% AMI and 61-80% AMI
- DHA will work to leverage the maximum possible units at each project
- Shoshone Project can be substituted with approval by the Director of OED for another catalytic project as long as total units are achieved
- No more than 50% of net property tax proceeds shall be used for DHA projects

Proposed Terms of DHA IGA – Developable Properties

- “Developable Properties” including land and buildings will be acquired to primarily serve Very Low Income Populations (below 30% AMI) and/or Permanent Supportive Housing
 - Properties will be reasonably distributed throughout the City with no more than 15% of acquisition funds in any one City Council district
 - Land parcels will be between 0.5 – 3 acres unless approved by Director of OED
 - DHA shall not be the primary developer for units in Developable Properties
 - At least 50% of the units will be affordable to Very Low Income Populations and/or Permanent Supportive Housing
 - DHA will leverage at least 300 Project Based Vouchers to support unit affordability
- No less than 50% of net property tax proceeds shall be used for Developable Properties







Proposed Terms of DHA IGA – Developable Properties cont.

- Advisory Group made up of public and quasi-public housing partners will advise DHA on:
 - Program guidelines for development and overall program evaluation
 - Acquisition criteria for Developable Properties consistent with the Housing Plan
 - Development and evaluation of RFQ/Ps for Development Partners for vertical construction and rehab
- At least 1,200 total units will be developed at scattered sites (projected across 10-15 individual sites)
- Projects will be reasonably phased throughout the performance period with goal of 1-2 projects developed per year
- DHA and OED will work collaboratively to support projects through land/property, gap financing and supportive services

Proposed Terms of DHA IGA – Other

- Administrative capacity capped at 4% of overall bond proceeds
- All units developed, rehabilitated or preserved under the Agreement will be affordable in perpetuity
- DHA will provide quarterly reports on the progress of construction and acquisition of buildings and parcels under the Agreement. Reports will include:
 - Financial summaries of funds invested to support outcomes of the agreement
 - Construction progress updates
- DHA will provide annual reports describing:
 - Actual units developed, rehabilitated and preserved against goals of the agreement including affordability of units
 - Cost of units and assistance provided including leverage of other funds where appropriate
 - Description of properties acquired and Development Partners selected through competitive process, including status of projects in development pipeline

Proposed Timeline

| Task | April 2018 | May 2018 | June 2018 | July 2018 | August 2018 | Fall 2018 | January 2019 |
|----------------------------------|--|----------|---|-----------|---|--|--------------|
| Stakeholder and Public Outreach |  | | | | | | |
| IGA Development |  | | | | | | |
| Council Outreach |  | | | | | | |
| Council Adoption | | |  | | | | |
| 2019 Budget Adoption | | | | | |  | |
| Revenue Available for Investment | | | | |  | | |



Proposed Adoption Timeline

August 8: Safety Committee meeting for action

August 14: Mayor Council

August 20: First Reading at City Council

August 27: Second Reading at City Council

QUESTIONS/DISCUSSION