



Legislation Details (With Text)

File #: 23-0043 **Version:** 1

Type: Bill **Status:** Passed

File created: 1/9/2023 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 2/13/2023 **Final action:** 2/24/2023

Title: A bill for an ordinance approving a proposed Agreement between the City and County of Denver and the Housing Authority of the City and County of Denver, Colorado to assist the West Denver Renaissance Collaborative in supporting eligible residents to build accessory dwelling units, with a focus on residents in West Denver neighborhoods.

Approves a funding agreement with the Housing Authority of the City and County of Denver (DHA), as part of the state’s Innovative Housing Incentives Grant Program, for \$693,810 and through 3-31-2024 to assist the West Denver Renaissance Collaborative (WDRC) in supporting eligible residents to build accessory dwelling units, with a focus on residents in West Denver neighborhoods (HOST-202266093). The last regularly scheduled Council meeting within the 30-day review period is on 3-6-2023. The Committee approved filing this item at its meeting on 1-25-2023.

Sponsors:

Indexes: Anne Wallace

Code sections:

Attachments: 1. BR23-0043_HOST_DHA_WDRC IHOI, 2. HOST Affordable ADUs Presentation, 3. 23-0043 Filed Bill_Housing Authority of the City and County of Denver_202266093 1.30.pdf, 4. 23-0043_Denver Housing Authority_Funding Agreement_202266093, 5. 23-0043 - signed, 6. 23-0043 For an ordinance approving a proposed Agreement between the City and County

Date	Ver.	Action By	Action	Result
2/24/2023	1	Mayor	signed	
2/22/2023	1	Council President	signed	
2/21/2023	1	City Council	placed upon final consideration and do pass	Pass
2/13/2023	1	City Council	ordered published on first reading	
1/25/2023	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

[Contract Request Template \(Contracts; IGAs; Leases\)](#)

Date Submitted: 1-17-2023

**Requesting Agency: Department of Housing Stability
Division:**

**Subject Matter Expert Name: Adam Lyons
Email Address: Adam.Lyons@denvergov.org
Phone Number:**

Item Title & Description:

*(Do not delete the following instructions)
These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence*

*description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance approving a proposed Agreement between the City and County of Denver and the Housing Authority of the City and County of Denver, Colorado to assist the West Denver Renaissance Collaborative in supporting eligible residents to build accessory dwelling units, with a focus on residents in West Denver neighborhoods.

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Affected Council District(s) or citywide? Citywide

Contract Control Number: HOST-202266093

Vendor/Contractor Name (including any "DBA"): Housing Authority of the City and County of Denver (DHA)

Type and Scope of services to be performed:

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 Collaborative (WDRRC) Accessory Dwelling Unit (ADU) projects. Specifically, \$736,183 for the Villa Park Project and \$693,810 for the WDRRC ADUs project.

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).

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

Scope of work:

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
Total Fees/Permits	\$265,650.00
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
Total Fees/Permits	\$693,810.00

Location (if applicable): At least 70% of the ADUs will be constructed in West Denver Renaissance Collaborative Neighborhoods (West Colfax, Villa Park, Auraria, Sun Valley, Lincoln Park, West Barnum, Barnum, Valverde, Westwood, Athmar Park), no more than 30% may be built City-wide where zoning allows.

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts): N/A

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

New

Was this contractor selected by competitive process or sole source?

Sole

For New contracts

Term of initial contract:

Grant execution date through 03/31/2024

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?
Term of any renewals (i.e. 1 year each):

Cost of initial contract term:

\$693,810

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)