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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.*

AS AMENDED a bill for an ordinance amending Title 27 of the Revised Municipal Code of the City and County of Denver to revise definitions and procedures set forth therein for greater clarity and to extend the minimum affordability period for properties that receive city subsidies from twenty years to sixty years.

Amends Section 27 of the Denver Revised Municipal Code (DRMC) to approve revisions to the Affordable Housing Preservation ordinance including definitions and procedures intended to clarify applicability to income-restricted properties within the city and extension of the minimum period of affordability from 20 years to 60 years. The Committee approved filing this item at its meeting on 10-3-18. Amended 10-15-18 to delay the effective date of the affordability period to 2-1-19.

Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

A primary goal of *Housing an Inclusive Denver*, the city’s five-year comprehensive housing plan, is the preservation of the city’s income-restricted housing stock. The Preservation Ordinance is Denver’s primary legislative tool to support the preservation of affordable housing, primarily through the provision of notice prior to the sale of income-restricted property and the provision to the city of a Right of First Refusal when income-restricted properties are sold.

The proposed legislative action - and the Rules and Regulations that will be adopted following the implementation of the Ordinance changes - will improve the Office of Economic Development’s ability to implement and enforce the requirements of the Preservation Ordinance. By improving the city’s ability to implement the Ordinance, the city will better be able to support the preservation of affordable housing.

The proposed changes would seek to revise portions of the City and County of Denver’s Preservation Ordinance to include the following:

- **Sec. 27-1 - City Authority:** This insertion would clarify the City and County of Denver’s ability to acquire, develop, redevelop, rehabilitate, operate and maintain residential affordable housing property. This is intended to explicitly state the city’s position as it relates to ownership of affordable housing properties and home rule, particularly in light

of C.R.S. 29-4-101 through 107 and People ex rel. Stokes v. Newton, 101 P.2d 21 (1940), and to resolve any perceived conflict or limitation.

- **Clarifying Changes to Ordinance:** The majority of proposed updates to the Preservation Ordinance are minor revisions intended to clarify the Ordinance's applicability. The clarifying changes include a) the addition of definitions for terms not previously defined within the Ordinance; b) the revision of the definitions of key terms that had previously been inconsistently defined; and c) the revision of language on implementation processes that had previously been vague. The proposed clarifying revisions do not alter the substance or requirements of the Ordinance.
- **Sec 27-50 - City Subsidy Projects - Long Term Affordability Requirements:** This insertion would increase the minimum period of time that a property must be income-restricted in exchange for subsidy from the City and County of Denver from 20 years to 60 years. The revision is proposed in response to a) peer city feedback; b) stakeholder outreach, including outreach to the development and real estate finance community; and c) analysis of the City's toolkit to preserve income-restricted housing. The increase in the City's minimum affordability period will allow the City to establish a pool of stable, long-term affordable housing that is less vulnerable to conversion to market rate. The proposed revision would impact properties funded in the future; it would not retroactively impact properties that have already received City subsidy.

In addition to the proposed updates to the Preservation Ordinance, OED staff have developed Rules and Regulations to support the Preservation Ordinance. The Rules and Regulations are intended to clarify the requirements of the Preservation Ordinance in order to improve implementation processes and establish predictability for owners of income-restricted housing. The Rules and Regulations have been reviewed by stakeholders in the development community via in-person meetings and opportunities for feedback on the text of the draft. After the adoption of the proposed updates to the Preservation Ordinance, OED staff will pursue the administrative process to adopt the Rules and Regulations supporting the Preservation Ordinance.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?