

**CITY OF "DENVER" SUBSTANTIAL AMENDMENT
TO THE 2008 FISCAL YEAR CONSOLIDATED PLAN
APRIL 2011 AMENDMENT**

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction

The City of Denver will be targeting a total of \$10,000,000 of NSP funds to those geographic areas in the City with the greatest needs in regards to foreclosed and abandoned properties as identified by the HUD developed foreclosure abandonment risk score.

Through analysis of appropriate data and maps highlighting areas of greatest needs, it has been determined that the following areas have the greatest need: Census Tracts 101, 102, 104, 110, 702, and 904.

B. DISTRIBUTION AND USES OF FUNDS

Pursuant to the requirements of HERA, funds will be distributed to the neighborhoods of greatest needs, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by Denver City as likely to face a significant rise in the rate of home foreclosures. To facilitate the distribution of funds, the City of Denver will establish the following programs:

NSP Program	Budget
Rental Acquisition/Rehabilitation	\$5,000,000
Homebuyer Acquisition/Rehabilitation	\$1,000,000
Land Banking	\$2,000,000
Redevelopment	\$1,000,000
Administration	\$1,000,000
TOTAL	\$10,000,000

The City conducted a search for qualified development partners and selected Greater Denver Housing Help, Denver Affordable Housing and Housing for the People to assist in the delivery of the NSP program.

C. DEFINITIONS AND DESCRIPTIONS

Abandoned: A home is considered abandoned when mortgage or tax proceedings have been initiated, no mortgage or tax payments have been made by the owner for at least 90 days and the property has been vacant for at least 90 days.

Affordable Rents: The tenant may not pay more than 30 percent of their household's monthly income towards rent and utilities whose income is at 50 percent of area median income.

Blighted: A structure is considered blighted when it displays objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare. Under state law, a municipality may exercise its police power to take appropriate action to remediate a property if the property is “unfit for human habitation or occupancy, or use, due to dilapidation, defects increasing the hazards of fire, accidents or other calamities, lack of ventilation, light or sanitation facilities, or due to other conditions rendering such buildings, or part thereof, unsafe or insanitary, or dangerous or detrimental to the health or safety or otherwise inimical to the welfare of the residents of said municipality...”.

Continued affordability for NSP assisted housing: All projects assisted with NSP funds will be subject to the following restrictions:

Rental Housing NSP Amount Per Unit	Minimum Period of Affordability in Years
Rehabilitation or Acquisition of existing housing	
Under \$15,000	5
\$15,000 - \$40,000	10
\$40,001 or more	15
New Construction	20

Homeownership NSP amount per unit	Minimum Period of Affordability in Years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

The City of Denver will ensure continued affordability by means of a lien/mortgage note against the property being assisted. The City will adapt the HOME affordability requirements into the City’s NSP Program. This will include the provision of the HOME recapture and resale requirements in the event the applicant does not comply with the affordability period mandated.

Duration of Assistance

The terms of assistance will be for a period of up to five years after HUD approval of NSP Grant Agreement (2013).

Current market appraised value: Value of foreclosed upon residential property established through an appraisal completed within 60 days prior to an offer made by a municipal grantee or for-profit developer.

In order to meet federal requirements, the City will ensure all properties purchased with NSP funds will be priced at least 1% below current appraised value.

Foreclosed: A property is foreclosed upon when tax or mortgage foreclosure is complete and the title has been transferred.

Housing Rehabilitation Standards: The NSP will utilize the City’s HOME Rehabilitation standards for the NSP Program.

D. LOW INCOME TARGETING

Based on the proposals received from development partners, the City expects \$4 million of the NSP funds will be used for units that assist households at or below 50% of area median income. This represents approximately 40% of the NSP Grant.

E. ACQUISITION AND RELOCATION

In case a residential property is considered for demolition, all of the relocation requirements of the URA and 104(b) (whichever is most applicable) will be followed. In addition, NSP funds may be used to provide temporary relocation to households, if necessary, when rehabilitating occupied multifamily properties.

F. PUBLIC COMMENT

In addition to the required public comment procedure, the City has met with neighborhood groups in the areas of greatest need seeking their input on the preparation of this plan as well as several non profit groups. There has been a positive response by several interested parties on how they would like to see the funds spent.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Activity Name: NSP Homebuyer Acquisition/Rehabilitation

Activity Type: NSP Eligible Use B - Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

Corresponding CDBG Eligible Activities

24 CFR 570.201(a) Acquisition (b) Disposition (i) Relocation (J) Direct homeownership assistance; 570.202 eligible rehabilitation and preservation activities for homes and other residential properties

National Objective: Low/Mod/Middle Income (LMMI). This activity will count toward meeting the City's 25% Set-aside requirement.

Projected Start Date: 60 Days after HUD approval (approximately March 15, 2009)

Projected End Date: 3 years months after HUD approval (approximately March 15, 2012)

Responsible Organization(s):

Denver Affordable Housing, 450 Washington Blvd, Denver CO
Housing for the People, 567 Roberts St, Denver CO

Location Description: Areas throughout Denver City with a risk factor of 18,19 or 20.

Activity Description: Acquisition, rehabilitation, and resale of abandoned or foreclosed properties. Denver Affordable Housing was awarded \$500,000 to acquire and rehabilitate four homes to be sold to families that make 30% of AMI. Housing for the People was awarded \$500,000 to acquire and rehabilitate four homes to be sold to families who make 50% or less of AMI. This activity will count toward meeting the City's 25% Set-aside requirement.

H. TOTAL BUDGET: \$1,000,000

I. PERFORMANCE MEASURES:

- 4 homebuyer units for households at or below 30% AMI
- 4 homebuyer units for households at or below 50% AMI

Activity Name: NSP Rental Acquisition/Rehabilitation

Activity Type: NSP Eligible Use B - Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

Corresponding CDBG Eligible Activities

24 CFR 570.201(a) Acquisition (b) Disposition (i) Relocation (J) Direct homeownership assistance; 570.202 eligible rehabilitation and preservation activities for homes and other residential properties

National Objective: Low/Mod/Middle Income (LMMI). A portion of this activity will count toward meeting the City's 25% Set-aside requirement.

Projected Start Date: 60 Days after HUD approval (approximately March 15, 2009)

Projected End Date: 3 years months after HUD approval (approximately March 15, 2012)

Responsible Organization(s):

Greater Denver Housing Help, 202 E Elm Street, Denver CO.

Location Description:

100 Constitution Way, Denver CO

929 Connecticut Ave, Denver CO

Activity Description: The City will provide \$5,000,000 for the acquisition and rehabilitation of two multi-family rental projects at 100 Constitution Way and 929 Connecticut Ave. The City selected Greater Denver Housing Help as the developer. 100 Constitution Way will have 10 units affordable for households at or below 120% AMI while 929 Connecticut will have 7 households at or below 50% AMI. It is expected that \$3,500,000 of this activity will count toward meeting the City's 25% Set-aside requirement.

H. TOTAL BUDGET: \$5,000,000

I. PERFORMANCE MEASURES:

- 10 rental units affordable for households at or below 120% AMI
- 7 rental units affordable for households at or below 50% AMI

Activity Name: NSP Land Banking

Activity Type: NSP Eligible Use C - Establish land banks for homes that have been foreclosed upon.

Corresponding CDBG Eligible Activities
24 CFR 570.201(a) Acquisition (b) Disposition

National Objective: Low/Mod/Middle Income (LMMI).

Projected Start Date: 60 Days after HUD approval (approximately March 15, 2009)

Projected End Date: 3 years months after HUD approval (approximately March 15, 2012)

Responsible Organization(s):

City of Denver Community Development Department, 100 Main Street, Denver CO.

Location Description:

The City will target the following areas of greatest need: Census Tracts 702 and 904.

Activity Description: The City will use \$2,000,000 to purchase and maintain 10 properties within Census Tracts 702 and 904. Properties will be made available to adjacent owners or redeveloped, if feasible.

H. TOTAL BUDGET: \$2,000,000

I. PERFORMANCE MEASURES:

- 10 single family properties

Activity Name: NSP Redevelopment

Activity Type: NSP Eligible Use E - Redevelop demolished or vacant properties

Corresponding CDBG Eligible Activities
24 CFR 570.201(a) Acquisition (b) Disposition

National Objective: Low/Mod/Middle Income (LMMI).

Projected Start Date: 60 Days after HUD approval (approximately March 15, 2009)

Projected End Date: 3 years months after HUD approval (approximately March 15, 2012)

Responsible Organization(s):

City of Denver Community Development Department, 100 Main Street, Denver CO.

Location Description:

525 California St. Denver CO

Activity Description: The City will use \$1,000,000 of NSP funds for the redevelopment of 525 California St. The existing 4-unit rental development will be demolished and the land will be used for a new 8-unit rental property with rents affordable to households earning less than 120% AMI.

H. TOTAL BUDGET: \$1,000,000

I. PERFORMANCE MEASURES:

- 8 rental units affordable to households at or below 120% AMI

Activity Name: NSP Administration

Activity Type: Administration

Corresponding CDBG Eligible Activities
24 CFR 570.206, Program Administrative Costs

National Objective: NA

Projected Start Date: 60 Days after HUD approval (approximately March 15, 2009)

Projected End Date: 3 years months after HUD approval (approximately March 15, 2012)

Responsible Organization(s):

City of Denver Community Development Department, 100 Main Street, Denver CO.

Location Description:

NA

Activity Description: The City will use \$1,000,000 to be used for reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part. These administrative costs satisfy the statutory requirement for meeting a national objective because the costs are incurred in support of generally eligible program activities that individually meet a national objective.

H. TOTAL BUDGET: \$1,000,000

I. PERFORMANCE MEASURES:

- NA