

Executive Summary - Proposed Amendment to Purchase and Sale Agreement

The Department of Finance, Division of Real Estate proposes an Amendment to a Purchase and Sale Agreement by and between the City and County of Denver, as seller and Brothers Redevelopment, Inc., as buyer. This amendment serves to make technical changes to Section 8 of the Purchase and Sale Agreement (Low-Income Housing Land Use Restriction Agreement).

Background

- In 2018, the City acquired 7900 East Colfax from Crosscheck, LLC for Six Hundred Fifty Thousand Dollars, with the specific intention of fostering an affordable housing development on-site
- HOST conducted a robust RFP and selected Brothers Redevelopment as the partner most qualified to successfully complete the project.
- Brothers Redevelopment will partner with the Brain Injury Alliance of Colorado (“BIAC”) to provide supportive services. Together, Brothers Redevelopment and BIAC will provide supportive housing and on-site services to 72 families, focused on people with brain injuries who are experiencing homelessness. BRI will have an office on-site to provide various housing and neighborhood related services. All units will be covered by vouchers from Denver Housing Authority (DHA) and the Colorado Division of Housing (DOH). The City intends that all 72 units will be covenant restricted at 30% of Area Median Income, as determined by HUD. In terms of unit sizes, 47 of the units will be one-bedroom, 19 will be two-bedroom, and 6 will be three-bedroom. The term of the restrictive covenant will be 99 years.
- The City and Brothers Redevelopment entered into a Purchase and Sale Agreement on January 20, 2020 for the acquisition of the parcel.

Proposed Amendment Changes

- In order to properly align with other terms of the Purchase and Sale Agreement, the language that imposes the affordable housing obligations will be moved from the conveyance deed into the Land Use Restriction Agreement. As such, a revised quit claim deed will be attached as an exhibit with the affordable housing restrictions removed as they will appear in a revised Land Use Restriction Agreement attached to the Purchase and Sale Agreement as a replacement exhibit.

City Council Request

The Department of Finance requests approval of a First Amendment to the Purchase and Sale Agreement in order to make technical corrections to delete affordable housing restrictions from the conveyance deed and enter into to a revised Low-Income Housing Land Use Restriction Agreement, to achieve greater long-term affordability.