

ORDINANCE/RESOLUTION REQUEST

Date of Request: 11/18/19

Please mark one: Bill Request or Resolution Request

1. Type of Request:

Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. Title: Amend the contract with Denver Leased Housing Associates VI, LLLP to authorize the subordination of the City's Deed of Trust to the Colorado Housing and Finance Authority's Land Use Restriction Agreement for the East Range Crossing, a 10-building affordable housing community located at 5810 N Argonne St. in the Green Valley Ranch neighborhood, with the amendment leaving the \$3,000,000 loan amount, terms, and duration otherwise unchanged.

3. Requesting Agency: Department of Housing Stability (HOST)

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Jennifer Siegel 720-913-1667	Name: Susan Liehe 720-913-1689
Email: jennifer.siegel@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

6. City Attorney assigned to this request (if applicable): Adam Hernandez

7. City Council District: 11

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):
Loan Agreement

Vendor/Contractor Name: Denver Leased Housing Associates VI, LLLP (Project known as East Range Crossing)

Contract control number: OEDEV-201735583-01

Location: 5810 N Argonne St Denver CO 80249

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? 01

Was this contractor selected by competitive process? N/A

Has this contractor provided these services to the City before? Yes No

Source of funds: General Funds – Linkage Fee

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

On November 8, 2017, the city executed a Loan Agreement authorizing a \$3,000,000 loan for the development of East Range Crossing, a 10-building affordable housing community located at 5810 N Argonne St. in the Green Valley Ranch neighborhood. The project is providing 252 units for households at or below 60% of the Area Median Income (AMI) including 12 one-bedroom, 120 two-bedroom, and 120 three-bedroom units.

While construction is being completed in stages, the first four buildings are complete and leasing is underway. Because the property is now leasing, the Colorado Housing and Finance Authority (CHFA) requires a "Placed in Service Application" that provides the information CHFA needs to record a Land Use Restriction Agreement (LURA) for the project, and our recorded Deed of Trust must be subordinate to CHFA's LURA. Recording of the LURA allows the project's investor to claim tax credits for the units occupied in 2019. The loan agreement currently does not explicitly authorize the subordination of the city's Deed of Trust to CHFA's LURA and must be amended to provide the appropriate language to allow the subordination.

There is no financial impact to this amendment.