

# ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 10/24/2022

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: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves the grant agreement between the City and County of Denver and The Fax East Colfax Redevelopment LLC under contract control #HOST-202265304 in the amount of \$983,456.

## 3. Requesting Agency: Department of Housing Stability

## 4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Megan Yonke	Name: Sabrina Allie
Email: Megan.Yonke@denvergov.org	Email: Sabrina.Allie@denvergov.org

## 5. General description or background of proposed request. Attach executive summary if more space needed:

The subject property consists of two contiguous parcels, totaling approximately 0.76 acres of developed land located along East Colfax Avenue in the City of Denver. The subject property consists of two distinct sites; the Sand & Sage Motel, located near the corner of Verbena Street and East Colfax Avenue; and the Westerner Motel, located near the corner of Wabash Street and East Colfax Avenue. The purchase price is \$4,105,000. The requested HOST contribution to the acquisition is \$750,000. The Fax Partnership closed on the acquisition on 9/14/2022 with financing from the Transit-Oriented Development (TOD) Fund and Colorado Housing and Finance Authority. HOST and the Colorado Division of Housing grant funding (also \$750,000) will partially take out the TOD Fund loan to reduce the required debt service on the property.

The two properties have 29 operational units, most have been recently renovated. Based on the Project Capital Needs Assessment, the project requires approximately \$233,000 of additional funding from HOST to renovate an additional six units (for a total of 35) and maintain the building quality for at least five years. From approximately 9/1/2023 to 3/31/2025, the buildings will operate as non-congregate shelter for families (34 units) and veterans (1 unit), to be leased and operated by Volunteers of America (VOA) while the Theodora Family Hotel is under construction (GO Bond project). The cost to rent family shelter units at private hotels is \$129 per night. Calculating that cost times six units for two years would cost \$410,000, making the \$233,000 in investment a cost savings over the cost of private shelter.

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

Eliot Schaefer

## 7. City Council District:

8

## 8. **\*\*For all contracts, fill out and submit accompanying Key Contract Terms worksheet\*\***

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

## Key Contract Terms

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

**Vendor/Contractor Name:**  
The Fax East Colfax Redevelopment LLC

**Contract control number:** HOST-202265304

**Location:**  
8405 & 8415 E Colfax Avenue

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** \_\_\_\_\_

**Contract Term/Duration (for amended contracts, include existing term dates and amended dates):**

This is a grant agreement which all conditions set forth in the agreement must be satisfied on or before March 30, 2023, with a 60-year restrictive use covenant. The covenant shall encumber the property for sixty (60) years from the date of the recording of the covenant.

**Contract Amount (indicate existing amount, amended amount and new contract total):**

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
(A)	(B)	(A+B)
\$983,456		

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
Grantee must satisfy all conditions set forth in this agreement on or before March 30, 2023. With a 60-year covenant ending 60 years from the date of recording of the covenant		

**Scope of work:**

Volunteers of America's board has approved this lease and negotiations on the lease are near completion. After the lease, the Fax Partnership will demolish the buildings and redevelop the property into at least 75 units (rental or homeownership to be determined), affordable at or below 80% of the Area Median Income.

The Fax Partnership will pursue a rezoning from three stories (four with Expanding Housing Affordability) to five (six with Expanding Housing Affordability) to accommodate at least 75 units, as well as retail space. They plan to pursue discussions with the City regarding a library or recreation center per recommendations in the East Area Plan and plan to pursue Congressionally Directed Spending for this redevelopment in the future. They have already had conversations with Senator Bennet's office.

The properties were acquired by the Fax Partnership on 9/14/2022. These funds will go toward takeout of the TOD Fund loan to reduce the cost of ongoing debt service for operation of non-congregate shelter to Volunteers of America.

**Was this contractor selected by competitive process?** N/A **If not, why not?** N/A

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

**Source of funds:** ARPA

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

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

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*To be completed by Mayor's Legislative Team:*

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Date Entered: \_\_\_\_\_

**Who are the subcontractors to this contract? N/A**

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Resolution/Bill Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_