

## **A G R E E M E N T**

**THIS AGREEMENT** is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the “City”) and **THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER**, a public body corporate and politic under the laws of the State of Colorado, whose address is 777 Grant Street, Denver, CO 80203 (“DHA” or the “Contractor”), jointly “the parties”.

### **WITNESSETH:**

**WHEREAS**, the City and DHA have jointly developed the Lower Income Voucher Equity Program (the “LIVE Denver Program”) with the goal of providing immediate affordability to working families in Denver with house hold incomes between 40% and 80% of Area Median Income per annum;

**WHEREAS**, the Parties recognize the immediate affordable housing needs in Denver, the growing vacancy of units in our existing market rate rental inventory, and the opportunities to leverage funding from the City, charitable foundations and employers with a strong presence in the City of Denver;

**WHEREAS**, the Parties are in agreement that now is the time, given the need for immediate affordable housing options for Denverites, to partner on providing working families a buy-down on the cost of market-rate rental units for a two (2) year period, creating automatic savings accounts and providing financial literacy and housing goal-attainment counseling to assist program participants in transitioning to market-rate housing at the end of such period;

**WHEREAS**, DHA intends to contract with the Local Initiatives Support Corporation (“LISC”) as a uniquely qualified partner for managing the funds provided by the various contributors, which include the City, charitable foundations, and employers;

**WHEREAS**, the Parties have agreed that DHA should be the administrator of the LIVE Denver Program, charged with matching participants to units, processing applications, qualifying and admitting participating individuals and families, issuing voucher payments to property owners, and administering daily program operations;

**WHEREAS**, the Parties have agreed that the City should support the LIVE Denver Program by assisting with the structuring and development of the program, paying for certain administrative expenses, and contributing to the LIVE Denver Program fund. provide funding from the Affordable Housing Fund, should assist with development of the LIVE Denver Program’s website, should

develop or contract to be developed a participating property database application, should raise funds from charitable foundations, and should solicit, select and facilitate participation in the LIVE Denver Program by employers with a significant workforce in Denver; and

**NOW, THEREFORE**, in consideration of the mutual agreements herein contained, the parties agree as follows:

**1. COORDINATION AND LIAISON:** The Contractor shall fully coordinate all services under the Agreement with the Executive Director of the Office of Economic Development, (“Executive Director”) or, the Executive Director’s designee.

**2. SERVICES TO BE PERFORMED:**

**a.** The Contractor shall diligently undertake, perform, and complete to the City’s reasonable satisfaction all of the services and produce all the deliverables set forth in **Exhibit A** hereto. The Executive Director shall have the authority on behalf of the City to amend **Exhibit A**, provided that the amount of the City Administrative Ramp Up Payment and the amount and use of the City Contribution (as defined below) shall not be modified and the frequency of Contractor’s reporting requirements shall not be reduced or eliminated and provided further that all such amendments shall be subject to the mutual agreement of the Executive Director and the Contractor.

**b.** The Contractor is ready, willing, and able to provide the services required by this Agreement.

**c.** The Contractor shall faithfully perform the services in accordance with the standards of care, skill, training, diligence, and judgment provided by highly competent individuals performing services of a similar nature to those described in this Agreement and in accordance with the terms of this Agreement, the Program Guidelines attached hereto as **Exhibit B**, and the Fund Management and Program Services Agreement to be entered into by and between Contractor and LISC substantially in the form attached hereto as **Exhibit C** (the “LISC Contract”). A copy of the final, signed LISC Contract shall be provided to the Executive Director promptly following its execution. Until such time as all of the City’s contributions to the LIVE Denver Program have been expended, the final, signed LISC Contract shall not be amended without the prior written consent of the Executive Director or his or her designee, which consent shall not be unreasonably withheld, conditioned or delayed. The Contractor will also be responsible for managing relationships between Contractor, on behalf of the LIVE Denver Program, and unit owners/managers, participating employers, tenants, and other stakeholders, and relationships

between LISC and contributors to the fund, as described in the Program Guidelines (attached hereto as **Exhibit B**). The Executive Director shall have the authority, on behalf of the City, to consent to amendments to the Program Guidelines.

**3. TERM:** The term of this Agreement shall commence on the effective date of this Agreement and shall terminate on the later of (a) the date on which all of the City's contributions have been expended and all reports regarding the expenditure of such funds have been provided to the City and (b) the two (2) year anniversary of the date hereof, unless extended in accordance with the terms of this Agreement. Subject to the Executive Director's prior written authorization, the Contractor shall complete any work in progress as of the expiration date and the term of the Agreement will extend until the work is completed or earlier terminated by the Executive Director. Notwithstanding the foregoing, Section 27 hereof shall survive termination of this Agreement.

**4. COMPENSATION AND PAYMENT:**

**a. Compensation.** The City shall pay and the Contractor shall accept the City Administrative Ramp Up Payment (as defined in **Exhibit A**) as compensation for services rendered under this Agreement.

**b. City Contribution.** The City shall make a one-time City Contribution (as defined in **Exhibit A**) in the amount set forth in the budget contained in **Exhibit A** to support rental subsidies provided to program participants.

**c. Reimbursable Expenses:** There are no reimbursable expenses allowed under the Agreement.

**d. Maximum Contract Amount:**

(1) Notwithstanding any other provision of the Agreement, the City's maximum payment obligation will not exceed **ONE MILLION ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$1,180,000)** (the "Maximum Contract Amount"). The City is not obligated to execute an Agreement or any amendments for any further services, including any services performed by Contractor beyond those specifically described in **Exhibit A**. Any services performed beyond those in **Exhibit A** are performed at Contractor's risk and without authorization under the Agreement.

(2) The City's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the Denver City Council, paid into the Treasury of the City, and encumbered for the purpose of the Agreement. The City does not by this Agreement

irrevocably pledge present cash reserves for payment or performance in future fiscal years. The Agreement does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

**5. STATUS OF CONTRACTOR:** The Contractor is an independent contractor retained to perform professional or technical services for limited periods of time. Neither the Contractor nor any of its employees are employees or officers of the City under Chapter 18 of the Denver Revised Municipal Code, or for any purpose whatsoever.

**6. TERMINATION:**

**a.** The City has the right to terminate this Agreement with cause upon written notice effective immediately, and without cause upon thirty (30) days' prior written notice to the Contractor. However, nothing gives the Contractor the right to obligate City funds for new subsidies or perform other services under this Agreement beyond the time when and to the extent that such services have been declared in writing to the Contractor to be unsatisfactory to the Executive Director.

**b.** Notwithstanding the preceding paragraph, the City may terminate this Agreement if the Contractor or any of its officers or employees are convicted, plead *nolo contendere*, enter into a formal agreement in which they admit guilt, enter a plea of guilty or otherwise admit culpability to criminal offenses of bribery, kick-backs, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature in connection with Contractor's business. Termination for the reasons stated in this paragraph is effective upon receipt of notice.

**c.** Upon termination of this Agreement, with or without cause, the Contractor shall have no claim against the City by reason of, or arising out of, incidental or relating to termination, except for compensation for work duly requested and satisfactorily performed as described in this Agreement; provided, however, that the Parties shall, in good faith, make arrangements for the management of funds that have been obligated for subsidy payments under pre-existing program leases.

**7. EXAMINATION OF RECORDS:** Any authorized agent of the City, including the City Auditor or his or her representative, has the right to access and the right to examine any pertinent books, documents, papers and records of the Contractor, involving transactions related

to the Agreement until the later of three (3) years after the final payment under the Agreement or expiration of the applicable statute of limitations.

The City agrees that the Contractor, HUD, the Office of Counsel or Comptroller General of the United States, or any of their duly authorized representatives shall, until three (3) years after final payment under this Agreement, have access to and the right to examine any of the City's directly pertinent books, documents, papers, or other records involving transactions related to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions.

The periods of access and examination above for records relating to (1) litigation or settlement of claims arising from the performance of this Agreement, or (2) costs, expenses, or payments under this Agreement to which the City, State or Contractor, HUD, the Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

**8. WHEN RIGHTS AND REMEDIES NOT WAIVED:** In no event will any payment or other action by the City constitute or be construed to be a waiver by the City of any breach of covenant or default that may then exist on the part of the Contractor. No payment, other action, or inaction by the City when any breach or default exists will impair or prejudice any right or remedy available to it with respect to any breach or default. No assent, expressed or implied, to any breach of any term of the Agreement constitutes a waiver of any other breach.

**9. INSURANCE:** As the Contractor is a "public entity" within the meaning of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., as amended ("Act"), the Contractor shall maintain insurance, by commercial policy or self-insurance, as is necessary to meet the Contractor's liabilities under the Act. Proof of such insurance shall be provided upon request by the City.

**10. LIABILITY:** Each Party will be responsible for any and all claims, damages, liability and court awards, including costs, expenses and attorney fees, incurred as a result of its actions or omissions or any action or omission of its officers, employees, and agents in connection with the subject matter of this Agreement or any amendment hereto. Nothing in this Section 10 or any other provision of this Agreement or any Addendum shall be construed as a waiver of the notice requirements, defenses, immunities and limitations the City or Contractor may have under the Colorado Governmental Immunity Act (§24-10-101, C.R. S., et seq.) or to any other defenses, immunities, or limitations of liability available to the City or Contractor by law.

**11. TAXES, CHARGES AND PENALTIES:** The City is not liable for the payment of taxes, late charges or penalties of any nature, except for any additional amounts that the City may be required to pay under the City's prompt payment ordinance D.R.M.C. § 20-107, *et seq.* The Contractor shall promptly pay when due, all taxes, bills, debts and obligations it incurs performing the services under the Agreement and shall not allow any lien, mortgage, judgment or execution to be filed against City property.

**12. ASSIGNMENT; SUBCONTRACTING:** The Contractor shall not voluntarily or involuntarily assign any of its rights or obligations, or subcontract performance obligations, under this Agreement without obtaining the Executive Director's prior written consent. Any assignment or subcontracting without such consent will be ineffective and void, and will be cause for termination of this Agreement by the City. The Executive Director has sole and absolute discretion whether to consent to any assignment or subcontracting, or to terminate the Agreement because of unauthorized assignment or subcontracting. In the event of any subcontracting or unauthorized assignment: (i) the Contractor shall remain responsible to the City; and (ii) no contractual relationship shall be created between the City and any sub-consultant, subcontractor or assign.

**13. INUREMENT:** The rights and obligations of the parties to the Agreement inure to the benefit of and shall be binding upon the parties and their respective successors and assigns, provided assignments are consented to in accordance with the terms of the Agreement.

**14. NO THIRD PARTY BENEFICIARY:** Enforcement of the terms of the Agreement and all rights of action relating to enforcement are strictly reserved to the parties. Nothing contained in the Agreement gives or allows any claim or right of action to any third person or entity. Any person or entity other than the City or the Contractor receiving services or benefits pursuant to the Agreement is an incidental beneficiary only.

**15. NO AUTHORITY TO BIND CITY TO CONTRACTS:** The Contractor lacks any authority to bind the City on any contractual matters. Final approval of all contractual matters that purport to obligate the City must be executed by the City in accordance with the City's Charter and the Denver Revised Municipal Code.

**16. SEVERABILITY:** Except for the provisions of the Agreement requiring appropriation of funds and limiting the total amount payable by the City, if a court of competent jurisdiction finds any provision of the Agreement or any portion of it to be invalid, illegal, or

unenforceable, the validity of the remaining portions or provisions will not be affected, if the intent of the parties can be fulfilled.

**17. CONFLICT OF INTEREST:**

a. No employee of the City shall have any personal or beneficial interest in the services or property described in the Agreement. The Contractor shall not hire, or contract for services with, any employee or officer of the City that would be in violation of the City's Code of Ethics, D.R.M.C. §2-51, et seq. or the Charter §§ 1.2.8, 1.2.9, and 1.2.12.

b. The Contractor shall not engage in any transaction, activity or conduct that would result in a conflict of interest under the Agreement. The Contractor represents that it has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Contractor by placing the Contractor's own interests, or the interests of any party with whom the Contractor has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, will determine the existence of a conflict of interest and may terminate the Agreement if it determines a conflict exists, after it has given the Contractor written notice describing the conflict.

**18. NOTICES:** All notices required by the terms of the Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Contractor at the address first above written, and if to the City at:

Executive Director of the Office of Economic Development or Designee  
201 West Colfax Avenue, Dept. 208  
Denver, Colorado 80202

With a copy of any such notice to:

Denver City Attorney's Office  
1437 Bannock St., Room 353  
Denver, Colorado 80202

If to DHA:

Housing Authority of the City and County of Denver  
Attn: Ismael Guerrero, Executive Director  
777 Grant Street, 6<sup>th</sup> Floor  
Denver, Colorado 80203

With a copy of any such notice to:

Housing Authority of the City and County of Denver  
Attn: Joshua Crawley, Agency Counsel  
777 Grant Street, 6<sup>th</sup> Floor  
Denver, Colorado 80203

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

**19. NO EMPLOYMENT OF ILLEGAL ALIENS TO PERFORM WORK UNDER THE AGREEMENT:**

**a.** This Agreement is subject to Division 5 of Article IV of Chapter 20 of the Denver Revised Municipal Code, and any amendments (the “Certification Ordinance”).

**b.** The Contractor certifies that:

**(1)** At the time of its execution of this Agreement, it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement.

**(2)** It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

**c.** The Contractor also agrees and represents that:

**(1)** It shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

**(2)** It shall not enter into a contract with a subconsultant or subcontractor that fails to certify to the Contractor that it shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

**(3)** It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement, through participation in either the E-Verify Program.



(4) It is prohibited from using either the E-Verify Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Agreement, and it is required to comply with any and all federal requirements related to use of the E-Verify Program including, by way of example, all program requirements related to employee notification and preservation of employee rights.

(5) If it obtains actual knowledge that a subconsultant or subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, it will notify such subconsultant or subcontractor and the City within three (3) days. The Contractor shall also terminate such subconsultant or subcontractor if within three (3) days after such notice the subconsultant or subcontractor does not stop employing or contracting with the illegal alien, unless during such three-day period the subconsultant or subcontractor provides information to establish that the subconsultant or subcontractor has not knowingly employed or contracted with an illegal alien.

(6) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S., or the City Auditor, under authority of D.R.M.C. 20-90.3.

d. The Contractor is liable for any violations as provided in the Certification Ordinance. If Contractor violates any provision of this section or the Certification Ordinance, the City may terminate this Agreement for a breach of the Agreement. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the City. Any such termination of a contract due to a violation of this section or the Certification Ordinance may also, at the discretion of the City, constitute grounds for disqualifying Contractor from submitting bids or proposals for future contracts with the City.

**20. GOVERNING LAW; VENUE:** The Agreement will be construed and enforced in accordance with applicable federal law, the laws of the State of Colorado, and the Charter, Revised Municipal Code, ordinances, regulations and Executive Orders of the City and County of Denver, which are expressly incorporated into the Agreement. Unless otherwise specified, any

reference to statutes, laws, regulations, charter or code provisions, ordinances, executive orders, or related memoranda, includes amendments or supplements to same. Venue for any legal action relating to the Agreement will be in the District Court of the State of Colorado, Second Judicial District (Denver District Court).

**21. NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under the Agreement, the Contractor may not refuse to hire, discharge, promote or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability. The Contractor shall insert the foregoing provision in all subcontracts.

**22. COMPLIANCE WITH ALL LAWS:** Contractor shall perform or cause to be performed all services in full compliance with all applicable laws, rules, regulations and codes of the United States, the State of Colorado; and with the Charter, ordinances, rules, regulations and Executive Orders of the City and County of Denver.

**23. LEGAL AUTHORITY:** Contractor represents and warrants that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into the Agreement. Each person signing and executing the Agreement on behalf of Contractor represents and warrants that he has been fully authorized by Contractor to execute the Agreement on behalf of Contractor and to validly and legally bind Contractor to all the terms, performances and provisions of the Agreement. The City shall have the right, in its sole discretion, to either temporarily suspend or permanently terminate the Agreement if there is a dispute as to the legal authority of either Contractor or the person signing the Agreement to enter into the Agreement.

**24. NO CONSTRUCTION AGAINST DRAFTING PARTY:** The parties and their respective counsel have had the opportunity to review the Agreement, and the Agreement will not be construed against any party merely because any provisions of the Agreement were prepared by a particular party.

**25. ORDER OF PRECEDENCE:** In the event of any conflicts between the language of this Agreement and any of the exhibits hereto, the language of this Agreement shall control. The order of precedence thereafter shall be Exhibit A, followed by Exhibit C, followed by Exhibit B.

**26. SURVIVAL OF CERTAIN PROVISIONS:** The terms of the Agreement and any exhibits and attachments that by reasonable implication contemplate continued performance, rights, or compliance beyond expiration or termination of the Agreement survive the Agreement and will continue to be enforceable. Without limiting the generality of this provision, the Contractor's obligations to submit reports, to allow audits and access to records, and to provide insurance and to indemnify the City will survive for a period equal to any and all relevant statutes of limitation, plus the time necessary to fully resolve any claims, matters, or actions begun within that period.

**27. CONFIDENTIAL INFORMATION:**

**a. City Information:** Contractor acknowledges and accepts that, in performance of all work under the terms of this Agreement, Contractor may have access to Proprietary Data or confidential information that may be owned or controlled by the City, and that the disclosure of such Proprietary Data or information may be damaging to the City or third parties. Contractor agrees that all Proprietary Data, confidential information or any other data or information provided or otherwise disclosed by the City to Contractor shall be held in confidence and used only in the performance of its obligations under this Agreement. Contractor shall exercise the same standard of care to protect such Proprietary Data and information as a reasonably prudent consultant would to protect its own proprietary or confidential data. "Proprietary Data" shall mean any materials or information which may be designated or marked "Proprietary" or "Confidential", or which would not be documents subject to disclosure pursuant to the Colorado Open Records Act or City ordinance, and provided or made available to Contractor by the City. Such Proprietary Data may be in hardcopy, printed, digital or electronic format.

**b. Open Records:** The parties understand that all the material provided or produced under this Agreement may be subject to the Colorado Open Records Act, § 24-72-201, et seq., C.R.S. (2013), and that in the event of a request to either party for disclosure of such information, the party receiving the request (the "Request Party" shall advise the other party (the "Non-Request Party") of such request in order to give the Non-Request Party the opportunity to object to the disclosure of any of its proprietary or confidential material. In the event of the filing of a lawsuit to compel such disclosure, the Request Party will tender all such material to the court for judicial determination of the issue of disclosure and the Non-Request Party agrees to intervene

in such lawsuit to protect and assert its claims of privilege and against disclosure of such material or waive the same.

**28. CITY EXECUTION OF AGREEMENT:** The Agreement will not be effective or binding on the City until it has been fully executed by all required signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

**29. AGREEMENT AS COMPLETE INTEGRATION-AMENDMENTS:** The Agreement is the complete integration of all understandings between the parties as to the subject matter of the Agreement. No prior, contemporaneous or subsequent addition, deletion, or other modification has any force or effect, unless embodied in the Agreement in writing. No oral representation by any officer or employee of the City at variance with the terms of the Agreement or any written amendment to the Agreement will have any force or effect or bind the City.

**30. USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS:** Contractor shall cooperate and comply with the provisions of Executive Order 94 and its Attachment A concerning the use, possession or sale of alcohol or drugs. Violation of these provisions or refusal to cooperate with implementation of the policy can result in contract personnel being barred from City facilities and from participating in City operations.

**31. ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:** Contractor consents to the use of electronic signatures by the City. The Agreement, and any other documents requiring a signature under the Agreement, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of the Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

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**Exhibit A – Budget & Scope of Services**

**Exhibit B – Program Guidelines**

**Exhibit C – Fund Management and Program Services Agreement**

**Contract Control Number:**

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

**CITY AND COUNTY OF DENVER**

ATTEST:

By \_\_\_\_\_

\_\_\_\_\_

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_



Contract Control Number: OEDEV-201842064-00

Contractor Name: THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

By: Ismael Guerrero

Name: ISMAEL GUERRERO  
(please print)

Title: EXECUTIVE DIRECTOR  
(please print)

ATTEST: [if required]

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)



**EXHIBIT A**  
**BUDGET & SCOPE OF SERVICES**

**I. INTRODUCTION**

**Program Description:** The purpose of the Agreement to which this Exhibit A is attached (the “Agreement”) is to provide funds to DHA to be utilized in the LIVE Denver Program and to pay for administrative costs and expenses of operating the initial phases of the program, which are anticipated to serve approximately one hundred twenty-five (125) tenant participants.

Capitalized terms utilized but not defined in this Exhibit A shall have the meanings ascribed thereto in the Agreement.

**Budget:**

The City shall pay a one-time lump sum amount of \$180,000 (the “**City Administrative Ramp Up Payment**”) to DHA to cover administrative fees of DHA and Local Initiatives Support Corporation (“LISC”) incurred in connection with creating and launching the LIVE Denver Program and associated systems.

The City further agrees to provide a maximum contribution of \$1,000,000 (the “**City Contribution**”) to DHA for the LIVE Denver Program, to be drawn down in portions, at the times and in the amounts specified below:

- Within thirty (30) days after the full execution of this Agreement and submittal to the City of the executed Fund Management and Program Services Agreement between DHA and LISC (which shall be substantially in the form attached to the Agreement as Exhibit C) and executed copies of such other agreements as are described herein and deemed by the City to be critical to the operation of the LIVE Denver Program (which shall be in forms that are reasonably satisfactory to the City), the City shall make an initial disbursement of funds to DHA equal to the City’s portion (to be assessed based on the City Contribution relative to contributions to the LIVE Denver Fund from other sources) of the average amount of three (3) months’ program subsidy, multiplied by 125 (program participants). The amount of this initial disbursement shall be calculated and mutually agreed upon by DHA and the City, but shall in no event exceed \$150,000.
- Thereafter, DHA may request monthly disbursements equal to the amount of the City’s portion of one month’s rent subsidy for each participant whose original LIVE Denver lease commenced in the previous month, multiplied by nine (9) (representing the remaining months in the first year of the lease). The amount of each such draw shall be calculated by DHA on a monthly draw request form (to be provided by the City and



approved by DHA), which shall be submitted to the City with supporting documentation for payment on the 15<sup>th</sup> of each month and shall be paid by the City to DHA by the 15<sup>th</sup> of each following month.

- DHA may additionally request monthly disbursements equal to the amount of the City's portion of one month's rent subsidy for each participant whose LIVE Denver lease commenced the second year of its term in the previous month, multiplied by 12 (months). The amount of the City's portion of subsidy shall be based on the rent specified in the original lease if such original lease was for a two-year term, or on the rent amount specified in the lease renewal if the original lease was a one-year term with a renewal option.
- At such time as all of the City's \$1,000,000 has been drawn down, no further disbursements shall be requested or made.

Each draw-down of the City Contribution described above shall be deposited by DHA into the LIVE Denver Fund promptly after DHA's receipt thereof, and shall be utilized solely for rental subsidies to be provided through the LIVE Denver Program and Tenant Savings Disbursements (as defined in the Program Guidelines). DHA shall leverage the City Contribution so that it supports a minimum of one hundred (100), with a goal of one hundred twenty-five (125) tenant participant households. The Parties acknowledge that these number targets are based on current market conditions, rent estimates and other assumptions regarding the mix of household incomes that will be served and other factors that may be outside of the control of the Parties.

## II. SCOPE OF SERVICES

1. **Rental Assistance.** DHA shall cause rental assistance to be provided to subsidize rents of program tenant participants for two-year lease terms with landlord participants, such that tenant participants will pay no more than 35% of their household income (calculated as of the execution date of the tenant's lease) toward rent.
2. **Program Administration.** DHA agrees to implement and manage the LIVE Denver Program through its Housing Choice Voucher Department by performing the following services, and agrees that the City Administrative Fee Payment shall constitute adequate compensation for the following:
  - a. Issue Request for Qualifications ("RFQ"), which calls for rental unit submissions by property owners and operators;
  - b. Conduct a Reasonable Market Rent analysis as detailed in the Program Guidelines (attached to the Agreement as **Exhibit B**);

- c. In coordination with the City, select participating units from the responders to the RFQ;
- d. Inform the RFQ respondents whether their properties/units have been selected for participation in the LIVE Denver Program;
- e. Issue a Request for Proposals (“RFP”) to property owners and operators of properties/units selected by RFQ.
- f. Evaluate responses to the RFP and engage successful landlords to secure a pool of available units.
- g. Provide technical support and collaboration to create a database of participating rental properties/units.
- h. Coordinate involvement of interested Denver employer sponsors;
- i. Screen applicants based on eligibility criteria agreed upon by the City and DHA;
- j. Establish tenant selection process from eligible Denver residents and eligible Denver employees;
- k. Facilitate the selection of units by tenant participants;
- l. Ensure that participating households understand their rights and obligations under the program;
- m. Ensure that a Lease Addendum with program requirements is attached to each lease entered into under the LIVE Denver Program and signed by the landlord, tenant and DHA;
- n. Coordinate with owners/operators regarding any lease termination or eviction events, and evaluate and coordinate any payments to property owners/operators for damages caused by program tenants (in lieu of security deposit).
- o. Pay all expenses in connection with the LIVE Denver Program’s website and keep all information posted thereon current and updated.
- p. Pay all fund management fees, including those contemplated by the LISC Contract, *provided that* the City Contribution shall be used only for rental subsidies paid by the program; no portion of the City Contribution shall be used to pay fees (including management or administrative fees), costs or expenses of any entity.
- q. Comply with all of DHA’s obligations under the LISC Contract (as defined below). The LISC Contract shall require LISC to: hold and account for the LIVE Denver Fund (as defined below); solicit and receive donations and receive employer contributions to the LIVE Denver Fund; make disbursements from the fund as directed by DHA for program purposes, including subsidy payments and Tenant Savings Disbursements (as defined in the Program Guidelines); and report on sources and uses (in de-identified form) of funds, fund deposits, withdrawals and balances.
- r. Deposit all portions of the City Contribution in the LIVE Denver Fund, subject to an agreement that permits and provides for the return of such funds to the City to the full extent the City has the authority to request the same under this Agreement.

- s. Market the LIVE Denver program in a manner agreed upon with the City, including through press interviews, conferences and avails, written marketing materials, and website design and messaging.
3. **Program Funds**. The Parties agree that DHA shall enter into an agreement with LISC substantially in the form attached hereto as **Exhibit C** (the “LISC Contract”), under which LISC will create a separate fund (the “LIVE Denver Fund”) to hold the City Contribution and contributions received from participating employers, charitable foundations, and all other sources to be used for operation of the LIVE Denver program. The LISC Contract shall provide that LISC shall manage and disburse such funds from the LIVE Denver Fund exclusively per the Program Guidelines and the instructions of DHA. Disbursement of funds from the LIVE Denver Fund shall be only for the purpose of rent subsidy payments on behalf of program tenants, Tenant Savings Disbursements, and administrative fees not to exceed fifteen percent (15%) of non-City contributions to the LIVE Denver Fund.

The LISC Contract shall provide for the prompt return of the entire balance of the City Contribution that remains unexpended and unobligated in the event that the program is cancelled or discontinued, or for any other reason upon demand by the City. For the avoidance of doubt, funds shall be deemed “obligated” for the full amount of the subsidy, and for the entire duration of their approved participation, for each approved tenant participant as of the commencement date of their respective lease.

4. **Project Phasing**. The Parties agree that DHA may choose to implement the project in phases, the first of which may be a pilot phase with a pilot employer and limited participation. DHA agrees to keep the City apprised with regard to phasing plans.
5. **Advisory Board**. DHA shall facilitate creation of a LIVE Denver Advisory Board (the “Advisory Board”) consisting of representatives from DHA, the City, Downtown Denver Partnership, the Apartment Association of Metro Denver, and other stakeholder groups. The Advisory Board shall assist DHA with outreach efforts and shall provide input regarding LIVE Denver Program operations, as described further in the Program Guidelines.
6. **Reports/Correspondence**. DHA shall submit quarterly and annual progress reports to the Executive Director in a form approved by the Executive Director, describing all activities conducted under this Agreement and the LIVE Denver Program, including but not limited to the total number of households served, size and AMI of households served, number and size of units provided, amounts of subsidies provided, amounts and sources of contributions made to the LIVE Denver Fund, and information on participating employers, employees, and apartment owners. Each quarterly report shall be delivered to the Executive Director within thirty (30) days after the end of each calendar quarter and each annual report shall be delivered to the Executive Director within forty-five (45) days after the end of the calendar year.

**The Lower Income Voucher Equity Program (LIVE Denver)**  
**Program Guidelines**

**SECTION 1: GENERAL INFORMATION**

**A. Background**

In the July 2017 State of the City Address, Mayor Hancock addressed the need for new and creative programmatic tools to increase housing and opportunities for all Denverites. Today, a large percentage of Denver’s population is burdened by the high cost of housing, especially renters who make up the core of our workforce: teachers, nurses, medical technicians, customer service representatives, frontline supervisors and entry-level tech workers on the cutting edge of innovation. As Denver continues to grow, housing has become less affordable for our workforce families and individuals. In 2017 alone, the cost of housing rose by 9% and, between 2014 and 2017, the compounded cost of housing increased by over 30% percent, far outpacing wage growth in a city with very low unemployment and high workforce participation.

Currently in Denver, the largest rental housing inventory exists for higher income households while the lowest available inventory exists for low to moderate income individuals and families. The Lower Income Voucher Equity Program (“LIVE Denver”) is intended to create immediate affordable housing options by connecting vacant market rate units with our workforce and bridge the gap in rent through funds provided by the City and County of Denver (“City”), foundations and employers. LIVE Denver is public-private partnership reflecting the housing responsibility we all share.

The LIVE Denver pilot program targets Residents who earn between 40% (\$25,200 for an individual or \$35,960 for a family of four in 2018) to 80% (\$50,350 for an individual or \$71,900 for a family of four in 2018) of Area Median Income (“AMI”) as defined by the U.S. Department of Housing and Urban Development on an annual basis. Currently, more than 52,000 households in Denver had a household income within this targeted income range. Approximately 13,000 renters within this population are severely burdened by the cost of housing, meaning they pay more than 50% of their income on housing costs, putting them at risk of displacement. Anticipated increased vacancy in market rate rental units provides the City and its partners with the opportunity to create a unique partnership to subsidize affordability of these vacant units. With this partnership:

- Workforce families obtain access to affordable housing;
- Apartment owners and operators can mitigate their risk of vacancy; and
- Funding through the City, employers, and foundations, connect housing with workforce families and individuals.

**The Lower Income Voucher Equity Program (LIVE Denver)**  
**Program Guidelines**

**Purpose**

The LIVE Denver Program will be implemented by the Denver Housing Authority (DHA) as the primary program administrator and the Local Initiatives Support Corporation (LISC) as a financial administrator (“Program Administrators). The LIVE Denver Program will be funded and informed by partnerships involving the City, private employers, foundations, the Apartment Association of Metro Denver (AAMD), apartment building owners and managers and the Downtown Denver Partnership (DDP). The purpose of the program is to expand immediate housing affordability for working households through these partnerships and bring affordable housing options to high opportunity areas.

The Program is initially intended to serve as a pilot program using investments from the City, key employer, and foundation partners. The contribution of \$1,000,000 of City funds towards subsidy payments, in addition to \$180,000 for administrative fees, is intended to serve at least 125 households. Additional contributions from foundations and employers can be added to the LIVE Denver Fund to help extend the initial investment and serve more households.

Tenant participants of the program will receive program benefits for a two-year period. During the two-year program, participants will receive a rent subsidy and financial coaching support from the Office of Financial Empowerment. Upon successful completion of the program, participants will also receive a disbursement of funds equal to five percent of their total rent paid during the term of their LIVE Denver lease (“Tenant Savings Disbursement”), which is intended to support a transition to market-rate housing. Evaluation of the success of the pilot program will be ongoing with assessments by DHA and partners planned after the initial roll out, during the two-year program period, and the end of the pilot program.

**SECTION 2: PROGRAM ADMINISTRATION**

A LIVE Denver Advisory Board (“the Board”) shall be created to provide advice regarding LIVE Denver Program operations, to conduct outreach and marketing to property owners, local employers, and Denver residents, and to assist in finding additional administrative funding. The Board will be comprised of representatives from DDP, AAMD, the City, DHA, LISC, representative(s) of participating employers and representative(s) of participating program tenants, and such other members as may be added upon majority consent of the foregoing named members. A Memorandum of Understanding (MOU) will be developed between organizations serving on the Board.

**A. Coordination**

*Properties:*

Outreach to potential property owner participants will be primarily conducted by AAMD and other Board representatives from the development and multi-family housing industries.

## EXHIBIT B

# **The Lower Income Voucher Equity Program (LIVE Denver)**

## **Program Guidelines**

Contractual relationships with participating employers will be established by DHA. In November 2017, LIVE Denver issued the initial RFQ calling for property managers and owners to submit potential (floating) units, offering the best price for those units.

- DHA will evaluate the unit submissions by determining Reasonable Market Rents (RMRs) per unit, and then comparing that to the Response Rental Rate. The lesser of the two rates will be the LIVE Denver Offered Rent.
- See *Units* (Section D) for more detail on RMR/Rental Rate Process.
- Once LISC and DHA have executed the Contract to manage the LIVE Denver Fund, and the partners agree that sufficient funds are available to begin the pilot, DHA will select properties for participation in the program through the issuance of an initial RFP with the LIVE Denver Offered Rent and terms and conditions.
- The Units in the selected properties will be available for selection by income-appropriate program tenant participants.
- Following selection of a unit from a participating property, program tenants and the property landlord will enter into a lease and a lease addendum with the LIVE Denver Program.
- Once two-thirds of all units from the initial RFP inventory are filled, a subsequent RFQ will be issued requesting additional units to increase the inventory of units, with a similar RFP process will follow.

While subsidies provided to tenants under the LIVE Denver program cannot be comingled with other public housing subsidies such as the Housing Choice Voucher program, DHA and program partners will work with participating property owners and managers to leverage other programs that support low and moderate-income households for non-LIVE Denver units where possible.

### *Employers:*

DDP will be the LIVE Denver Program's key partner supporting the Program Administrators in communicating with potential participant employers. They will identify potential employers and work with individual leaders and navigators in the various identified target industries, including but not limited to: healthcare, education, and technology. Other members of the Board may also identify employers and bring them into the employer participation process.

### *Tenants:*

Participating tenants may participate in the program either through their employer or as a member of the general public. To qualify for participation, the potential tenant must:

## EXHIBIT B

# **The Lower Income Voucher Equity Program (LIVE Denver)**

## **Program Guidelines**

- Provide documentation of Current Resident status includes but is not limited to the following:
  - Driver's License with a Denver address
  - Utility or other bill addressed to the applicant with a Denver address
  - Current lease agreement
- Qualify within the AMI range of 40-80%

### **B. Participant Selection Process and Requirements**

To qualify for the program, families and individuals must have a household income between 40% and 80% AMI, and one or more members of the household must be working full-time (at least 36 hours per week).

2018 examples of qualifying individuals and families:

- Individuals must earn between \$25,200 and \$50,350 annually
- Family of four must earn between \$35,960 and \$71,900 annually

Participants must pay 35% of their gross household income toward the reasonable rent payment for their unit; the LIVE Denver fund pays the balance according to the requirements of these program guidelines.

After the participants are selected for the LIVE Denver Program, DHA will verify them through an on-line application on the LIVE Denver website. All applicants must meet the qualifications listed above.

Overall, the team at DHA will manage and/or facilitate:

- General public lottery process
- LIVE Denver Resident application and screening process after the Resident applies via the LIVE Denver website
- Unit selection process and match with Residents (via LIVE Denver website)
- Paying subsidized portion of rent payment to property owners and managers via direct deposit on the 1<sup>st</sup> of the month

### **C. Leasing Process and Rental Units**

*Leasing Process and the Lease Agreement:*

The LIVE Denver program is not a party to the lease agreement. The lease agreement is between the tenant and the housing provider. The participant is expected to remain compliance with the terms of the lease at all times.

## EXHIBIT B

# **The Lower Income Voucher Equity Program (LIVE Denver)**

## **Program Guidelines**

Once they are qualified by DHA, applicants become eligible to be matched with LIVE Denver units. Eligible applicants will only be qualified for units with LIVE Denver Offered Rental Rates that are less than or equal to 50% of the applicant's current gross household income, before rental subsidies or any monthly expenses (i.e. loan repayments). Eligible applicants will be unable to view any LIVE Denver units for which they do not qualify per the RMR rent cap.

Once an applicant is qualified according to the requirements of these program guidelines the applicant will select a LIVE Denver approved unit through the LIVE Denver Website. The process is as follows:

1. Review available units as listed on the website portal and contact properties directly to evaluate the suitability of unit(s), including via in person tours.
2. Apply for the unit through the property's standard application and leasing process, including a background check if applicable
3. Once qualified and selected by the Property Owner, execute the property's standard lease with the LIVE Denver lease addendum attached (LIVE Denver will review the Lease for program compliance, attach the Property Owner Lease Addendum, and return to the applicants and Property Owner for execution.)

Participating properties will agree to waive all upfront security deposit for LIVE Denver tenants. Application fees and any other additional relevant fees may apply and will be the responsibility of tenants.

Participating property owners or managers and participant tenants in the LIVE Denver program will be subject to the standard rights and obligations under Colorado and City and County of Denver law. No special rights, privileges, obligations or exemptions shall apply. In the event a property owner or manager rejects multiple qualified families or individuals referred by LIVE Denver, DHA reserves the right to inquire as to the cause of denial and such inquiries may be subject to the Colorado Open Records Act.

### *Rent Payments:*

Tenants are expected to pay their portion of the rent on time and in accordance with the lease agreement. Tenants are responsible for all late fee as well as charges associated with the lease.

### *Tenant Delinquency or Loss:*

Tenants must notify the LIVE Denver program if the family experiences a financial hardship which prevents the family from paying their portion of the rent. In cases where the financial



**The Lower Income Voucher Equity Program (LIVE Denver)**  
**Program Guidelines**

hardship includes a total loss of employment income, the LIVE Denver program may supplement the participant portion of rent for up to a maximum of 60 days (2 calendar months). The tenant must participate in financial coaching and actively seek to regain employment during the 60-day time frame.

In the event a LIVE Denver tenant does not pay his/her portion of the rent and the property owner or manager chooses to pursue an eviction action, the property owner or manager and the tenant must notify DHA in writing upon the notice of eviction provided to the tenant.

In the event a LIVE Denver tenant voluntarily vacates the unit, the property owner or manager will promptly notify the LIVE Denver Program.

Tenants participation will be cancelled from the LIVE Denver program if the lease is terminated. Tenants may be cancelled from the LIVE Denver program if fraudulent or willful misrepresentation is discovered.

**D. Units**

*Rental Units:*

Qualifying units may be Studios, 1 bedroom, 2 bedrooms, 3 bedrooms and 4 bedrooms apartment units and single-family homes across the City and County of Denver.

To be eligible for the program, units must meet the following criteria:

- Units or single-family homes of high quality (as commonly understood in the industry) where the Property Owner or Manager is capable of “self-certifying” to the quality of the unit and is in compliance with all Fair Housing laws and local building and zoning laws
- Within the limits of the City and County of Denver
- Submitted units cannot have existing subsidized rents or rent restrictions
  - Rent restricted units are any units that receive any form of government subsidy including, but not limited to, project-based vouchers or low-income tax credits
- Property Owner or Manager must submit a minimum of five (5) units in the RFQ – these can be from various properties, as long as they all come from the same owner or manager.
- Property Owner or Manager will commit to waiving the security deposit for each unit submitted
- In lieu of an inspection by DHA, Residents will participate in a walk-through of the apartment and complete a standard walkthrough checklist at the time of the initial lease that confirms the property is of a reasonable quality. A copy of the checklist will be provided to DHA to verify the walk-through was completed and the unit was

## EXHIBIT B

# **The Lower Income Voucher Equity Program (LIVE Denver)**

## **Program Guidelines**

habitable. Tenants shall notify DHA of any units that are rejected at the walkthrough and the reasons for such rejection. See Colorado Revised Statutes § 38-12-503 on Warranty of Habitability for reference on requirements for a property to be fit for habitation.

A property owner or manager need not “set aside” particular units in a building for participation in the program. However, if a submitted unit is not available at time of lease, an alternate substantially similar unit must be available.

### *Reasonable Market Rates (RMR):*

LIVE Denver, via DHA, will utilize current market conditions to determine the RMR for the units submitted. The RMR represents the maximum contract rent paid for each unit. The RMR will be conducted as part of each RFP process for unit selection, as described above. At the end of the first lease term, DHA will adjust rent if necessary, to reflect market fluctuation up to three percent (3%).

The following is the anticipated assessment process for properties:

1. Unit and property descriptions are submitted in response to the RFQ based on participation in the program for a two-year period
2. DHA logs each unit and property data into a database
3. DHA database compares the unit description (interior and exterior amenities and rent) to three other comparable units with similar rents with the same interior and exterior amenities within a half-mile radius
4. DHA database takes the average of the rents of the three comparable units to produce a monthly RMR
5. DHA database takes into an account the Response Rental Rate, which is the current rental rate and value of any discount offered on units submitted in response to the RFQ
6. The Response Rental Rate will be compared to the RMR, and the property manager will be offered the lower of the two rents (See Table 1)
7. The LIVE Denver Offered Rent is the maximum monthly rent the Program will provide a subsidy to in making the unit affordable to workforce families
8. Once the Offered Rent is determined, DHA will issue an RFP for the properties that responded to the RFQ. If the property accepts the rate, then DHA will provide a spreadsheet of the properties to the LIVE Denver website. Once the properties are on the website, tenants can begin matching with units they are qualified for.

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**The Lower Income Voucher Equity Program (LIVE Denver)**  
**Program Guidelines**

**Table 1. Reasonable Market Rent “RMR” Assessment Example**

<b>2 BR Unit RMR Analysis</b>		Comparable Unit #1	Comparable Unit #2	Comparable Unit #3
<b>Current Proposed Rent of Unit Offered, Including Concessions and Two-Year Program Participation</b>	<b>\$2,500</b>	\$2,400	\$2,000	\$2,200
<b>Reasonable Market Rent (RMR)</b>	<b>\$2,200</b>	An Affective Average of Comparable Units = \$2,200		
Lower of Proposed Rent or RMR Maximum Allowable Rent	\$2,200			
L.I.V.E Denver Discount to Proposed Rent	\$300			
LIVE Denver - Discount Percent	12%			
<b>L.I.V.E Denver – Offered Rent</b>	<b>\$2,200*</b>			
	<b>*Offered Rent to the property owner/manager will be made via Request for Proposals (RFP)</b>			

**E. Rent Payment**

*Rent Payments to Property Owners or Managers:*

The value of the LIVE Denver subsidy is calculated as the LIVE Denver Offered Rent (calculated as set forth above) minus the tenant’s payment of 35% of their gross household

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**The Lower Income Voucher Equity Program (LIVE Denver)**  
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income. DHA will request the subsidy totals before the first of each month from LISC and then direct deposit the subsidies at the first of the month to the property manager’s accounts.

The table below demonstrates sample calculations to varied AMI.

**Table 2. SAMPLE Calculations:**

<b>Unit Size</b>	<b>1 BR</b>	<b>2BR</b>	<b>3BR</b>
Response - Requested Rental Rate	\$1,450	\$2,500	\$2,650
RMR Analysis	\$1,300	\$2,200	\$2,500
RFP Rent Offered by LIVE Program	\$1,300	\$2,200	\$2,500
LIVE Denver Program will offer the lesser of RMR <b>OR</b> Requested Rental Rate			
<b>Tenant AMI 80%</b>	<i>1 Person Makes more than \$1,300</i>	<i>2 People</i>	<i>3 People</i>
Tenant Payment	<i>N/A</i>	\$1,678.54	\$1,888.54
LIVE Denver Payment	<i>N/A</i>	\$521.46	\$611.46
<b>Tenant AMI 60%</b>	<i>1 person</i>	<i>4 People</i>	<i>6 People</i>
Tenant Payment	\$1,102.50	\$1,573.25	\$1,825.25
LIVE Denver Payment	\$197.50	\$626.75	\$674.75
<b>Tenant AMI 40%</b>	<i>Above 50% of income – unit unavailable to 1-2 people</i>	<i>Above 50% of income – unit at \$2,200 unavailable to 2-6 people</i>	<i>Above 50% income</i>
Tenant Payment	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
LIVE Denver Payment	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

Unit occupancy scale:

<b>Unit Size</b>	<b>1 BR</b>	<b>2BR</b>	<b>3BR</b>
<b>Household members</b>	<b>1 - 2 People</b>	<b>2-4 persons</b>	<b>3 – 6 persons</b>

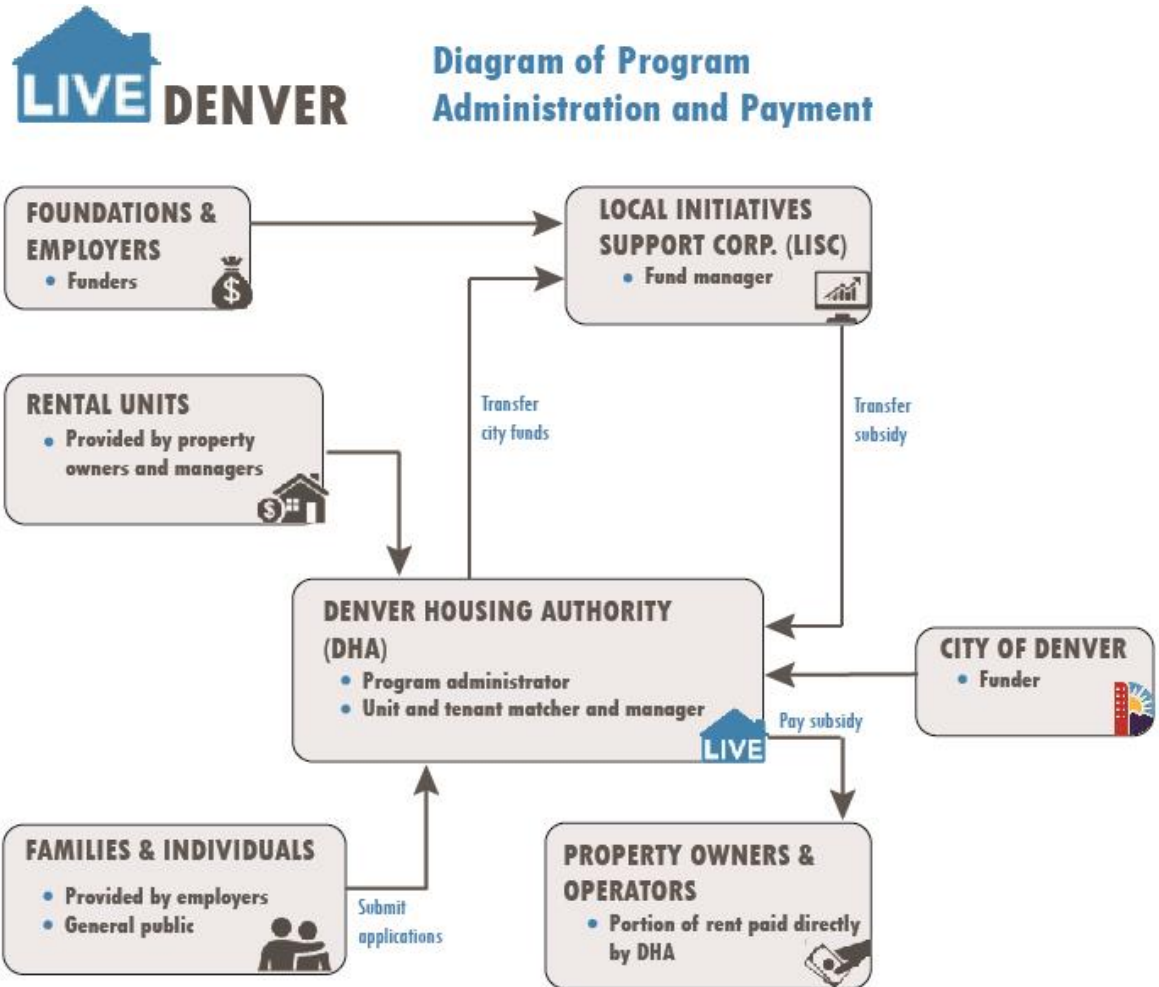
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**The Lower Income Voucher Equity Program (LIVE Denver)**  
**Program Guidelines**

**F. Partners and Program Administration Model:**

The Denver Housing Authority (DHA) is the primary program administrator and will administer the program through its Housing Choice Voucher (HCV) program and modeling the program after the HUD voucher program. Prior to participating in the LIVE Denver program, applicants will be orientated regarding the program. Tenants will be advised that the LIVE Denver program is not connected to the HUD HCV program and a housing choice voucher will not be issued to the tenants. Families will also receive information regarding the following program guidelines:

**The Lower Income Voucher Equity Program (LIVE Denver)**  
**Program Guidelines**



**G. Marketing and Website Management**

*Marketing:*

The initial phase of marketing was driven by the City and DHA through the LIVE Denver Program. Engagement with employer participants, with the help of Live Denver partners. The next phase of marketing will be led by the Board. They will develop or enhance marketing efforts to reach out to potential employers and providing information to potential participants. Additionally, all marketing and outreach efforts must be multilingual and address how

## EXHIBIT B

# **The Lower Income Voucher Equity Program (LIVE Denver)**

## **Program Guidelines**

residents of limited English proficiency and individuals with a disability will have access to information and services.

### *Website:*

A website partner will work with DHA on the use of the website for program purposes.

- Once tenants are approved, DHA will provide email addresses to the LIVE Denver website to create a user profile. Once created, DHA will log into the website and finalize the user profile, including specifications of units the tenants are allowed to view per income restrictions.
- Following the issuance of the RFP, DHA will send a spreadsheet to the properties that accept the rental rates asking for general property information. Once complete, the property information DHA will import it into the system.

## **SECTION 3: ADDITIONAL PROGRAMS**

### *Tenant Savings Disbursement:*

Upon the successful completion of their participation in the program, the tenant will receive an Tenant Savings Disbursement equal up to five percent (5%) of the total rent paid during the term of their LIVE Denver leases. The tenant's collection of the full five percent is dependent on

- Any liens that the property may be entitled to (i.e. damages normally covered by a security deposit, unpaid rent etc.). These will be paid from the amount reserved for the Tenant Savings Disbursements
- Completion of a financial assessment and goals (see Financial Coaching)
- Completing an exit survey for assessment purposes upon exit of the program and will be required to receive the five percent

If a tenant household leaves the LIVE Denver program before the completion of their full two-year participation term, a Tenant Savings Disbursement payment will only be made if the total subsidy calculation (i.e. five percent (5%) of the total rent paid under their LIVE Denver lease(s)) exceeds the amount of the last applicable monthly rent payment. (For illustration purposes, if the tenant participated for 15 months, the monthly rent under the first year's lease was \$1000 and under the second year's lease was \$1100, the total subsidy calculation would equal  $\$15,300 \times .05 = \$765$ . No Tenant Savings Disbursement payment would be payable by the LIVE Denver Program because \$765 is less than the last month's rent of \$1100. If, however, the same tenant had participated for 22 months, they would be entitled to the five percent Tenant Savings Disbursement payment of \$1,150, since that exceeds the last month's rent of \$1,100.)

**The Lower Income Voucher Equity Program (LIVE Denver)**  
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Participant tenants shall agree to use their Tenant Savings Disbursement payment to improve their long-term housing affordability outlook in accordance with the financial goals identified during their LIVE Denver financial coaching described below. Depending on each tenant's circumstances, these uses may include a down payment or other costs associated with the purchase of a home, a security deposit or rent payment, or tuition or educational expenses.

*Financial Coaching:*

As a condition of receiving the Tenant Savings Disbursement payment, the tenant must complete the following financial coaching requirements:

- Within ninety (90) days or less of moving into their unit, the tenant must have an initial financial assessment through the Financial Empowerment Center (FEC) in the City and County of Denver's Office of Financial Empowerment
- Develop an individual service plan with both short-term (for the two-year period of the program) and long-term financial goals, detailing steps towards achievements like: financial stability; homeownership; sustainable rental solutions; long-term savings. The FEC will follow up with the Resident and provide any additional free support or opportunities the Residents wish to participate in.
- Demonstrate steps taken towards achieving the goals that will then be self-certified in an exit survey from the LIVE Denver program.

*Home Ownership Program:*

Tenants will have an opportunity while setting their goals to identify if they would like to move towards homeownership upon leaving the program. With the help of the FEC, they will be able to identify additional programs they may qualify for that will help in settling debt, raising their credit score, or qualifying for loans. Additionally, they will have their Tenant Savings Distribution. Lastly, TRELORA Real Estate has indicated its intent to support the LIVE Denver program by waiving their brokerage fees for LIVE Denver tenants looking to purchase a home.

**SECTION 4: ADMINISTRATIVE FEES AND OTHER COSTS**

The DHA will be initially compensated \$100,000 for the administration of the Program from City funds. LISC will be initially compensated \$80,000 from City funds for the management of the LIVE Denver Fund and distribution of the funds for the purpose of subsidy and the Tenant Savings Disbursement. Subsequently, no more than fifteen percent (15%) of non-City contributions to the LIVE Denver Fund will be cover future administrative costs. The agreed-upon flat fee represents the selection and matching of approximately 125 units, whose subsidy will be supported by the \$1,000,000 of City funds.



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**The Lower Income Voucher Equity Program (LIVE Denver)**  
**Program Guidelines**

**SECTION 5: REPORTING REQUIREMENTS**

The LIVE Denver Program shall maintain detailed financial records of sources and uses of funds, subsidies paid, Tenant Saving Disbursement amounts earned, number of and AMI levels of participants served. The various supporting agreements discuss the reporting details between participating parties.

**SECTION 6: ASSESSMENT**

Assessment of the program is key to understanding the effectiveness of the program structure. The initial assessment will occur one year after the first tenant moves into their unit and will include all tenants that were moved into units up to six months after the initial tenant. The Board will ultimately determine the assessment process and measures, however the evaluation will include the examination of a number of elements such as: 1) income guidelines, 2) length of program participation by tenants and landlords, etc.

## EXHIBIT C

### FUND MANAGEMENT AND PROGRAM SERVICES AGREEMENT

**THIS FUND MANAGEMENT AND PROGRAM SERVICES AGREEMENT** (this “Agreement”) is entered into as of \_\_\_\_\_, 2018 by and between Local Initiatives Support Corporation, a New York not-for-profit corporation (“LISC”) with its principal business address at 501 Seventh Avenue, 7<sup>th</sup> Floor, New York, New York 10018, and the Housing Authority of the City and County of Denver, Colorado, a public body corporate and politic under the laws of the State of Colorado, with offices located at 777 Grant Street, Denver, CO 80203 (“DHA”). LISC and DHA are sometimes referred to herein, individually as a “Party” and collectively as the “Parties”.

### BACKGROUND

- A. DHA and the City and County of Denver, Colorado, a home rule city and political subdivision created by the Colorado Constitution (the “City”), have developed Lower Income Voucher Equity Program (“LIVE Denver Program”) with the support of community partners, local employers and charitable foundations;
- B. The LIVE Denver Program has the goal of providing affordable rental housing, and related services, to working families in Denver with household incomes between 40% and 80% of area median income per year in order to help them access safe, affordable decent rental housing that they otherwise would not be able to afford, and to make available certain services related to financial and credit counseling and training, access to workforce development services, and homeownership preparation;
- C. The LIVE Denver Program will be administered by DHA in accordance with guidelines agreed upon by the City and DHA pursuant to that certain Agreement between the City and DHA dated as of \_\_\_\_\_, 2018 regarding the LIVE Denver Program (the “IGA”) and the guidelines that have been established for the LIVE Denver Program by the Parties and the City (the “Program Guidelines”); and
- D. LISC has been selected to hold and manage the LIVE Denver Fund (the “LDF”) as set forth herein, on behalf of the LIVE Denver Program.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Fund Formation.** LISC shall hold the LDF in an interest-bearing account under its name. LISC shall deposit all funds received from DHA, the City, employers, foundations, or others for the LIVE Denver Project into the LDF and shall manage the LDF in accordance with generally accepted accounting principles, this Agreement, the LIVE Denver Program Guidelines, and the grant agreements with contributors. LISC shall maintain systems that enable it to track and report on the receipt and disbursement of all funds received by LISC for the LDF. Interest

earned on the funds in the LDF shall remain (or be reinvested, as the case may be) in the LDF for use in the LIVE Denver Program, subject only to payment of bank fees and charges assessed on the LDF account.

**2. Program Management.** DHA shall manage the LIVE Denver Program in accordance with the Program Guidelines and shall do the following:

- a. On quarterly basis, at least ten (10) business days in advance of the date a disbursement is to be made by LISC, DHA will provide LISC with a request for payment substantially in form attached hereto as **Annex 1** (a “Disbursement Request”). The Disbursement Request shall list, by “entity” (under DHA terminology), the disbursements for all or any of the following purposes:
  - 1) Rent payments for the following three (3) calendar months to participating landlords (identified by an entity number) for particular apartments and tenants participating in the LIVE Denver Program (“Tenants”) (identified by an entity number); DHA will determine the value of the rent buy-down for each participating unit in accordance with the Program Guidelines.
  - 2) Payments, if any, to participating landlords (identified by an entity number) for particular apartments (identified by an entity number) for the repair of damage caused by Tenants for whom previous rent payments had been provided who are no longer occupying the apartments.
  - 3) Payments to Tenants (identified by an entity number) who have met the requirements to receive a “Tenant Savings Disbursement” in the amount of 5% of the total rent for such Tenant’s apartment during the period of the Program Tenant’s participation in the LDF Program. It is contemplated that such requirements will include remaining in occupancy in the apartment with respect to which the rent payments have been provided for two (2) years, paying on time and in full the Tenant’s share of the rent payments for such apartments for such two (2) year period, participating in such Program Participant Services as are made available to such Tenants, to the extent and in the manner reasonably acceptable to the DHA, and requiring no payment to a participating landlord for damage to the unit.
- b. Obtain from DHA a determination of the total rent buy-down value for each participating unit;
- c. Maintain a schedule of the future obligations of the LDF based on the rental subsidy commitments of each lease executed and then in effect with participating landlords; and
- d. Maintain accounting records for all funds received from the LDF.

**3. Fund Management Services.** LISC shall provide the administrative and other services related to the receipt of payments from DHA, the City and other contributors and the

disbursement of funds in the LDF to DHA, including record-keeping and reporting functions. Such services are referred to herein as the Fund Management Services and shall include the following:

- a. The LDF shall be the sole source of funding provided as requested by DHA in the Disbursement Request and LISC is under no obligation to, nor shall it, use its own funds to make up any shortfall between the amount available under in the LDF and the amount of the Disbursement Request.
- b. LISC shall rely on the information provided to it by DHA and shall have no obligation to independently verify the accuracy of any such information.
- c. The payments made by LISC in accordance with the Disbursement Request shall be drawn from the LDF, it being understood by all parties hereto, and by the City and any foundations, employers or other donors to LISC whose donations are for the LDF, that all such funds are being commingled, and that reports to the City, any foundations, employers or other donors to the LDF that account for individual contributions and particular disbursements on behalf of Tenants will be based on amounts and percentages of the LDF and will not imply segregation of funds. LISC shall not be expected to, nor will it, segregate particular donations to be “matched” with particular Tenants or disbursed for particular apartments.
- d. The parties hereto understand that under no circumstances is LISC to be provided with, or to provide, any “Personally Identifiable Information” (“PII”) with respect to any landlord, Tenant, applicant under the LDF Program, recipient of any Tenant Savings Disbursement, etc. “Personally Identifiable Information” means information which can be used to distinguish or trace an individual’s identify, such as their name, social security number, biometric records, email address, telephone number, etc., either alone or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc..
- e. Provide quarterly financial reports, beginning with the period ending on September 30, 2018, within thirty (30) days after the end of each quarter, to DHA and the LIVE Denver Program Advisory Committee, as detailed in the IGA. Such quarterly financial reports shall be in the form attached hereto as **Annex 2**. A LISC representative shall be invited to attend each meeting of the LIVE Denver Program Advisory Committee.

#### **4. Fees and Compensation.**

DHA hereby agrees to pay LISC the sum of Eighty Thousand Dollars (\$80,000) within thirty (30) days after receipt of the City Administrative Ramp Up Payment, as defined in Exhibit A to the IGA. Such funds shall be paid by wire transfer to the account listed in **Annex 3** hereto (the “LISC Account”) and shall constitute full compensation for staff time, and travel and other expenses incurred by LISC in working with the City, DHA and other parties to assist with the design and creation of the LDF, and for all costs related to management of the LDF, the

provision of the technical assistance, described in this Agreement to be carried out by LISC, including, without limitation, accounting and legal expenses, insurance charges, and government filing and registration fees, all until such time as one hundred twenty-five (125) units have been rented through the LIVE Denver Program. DHA's obligation to pay this sum to LISC is specifically conditioned on DHA having received funds from the City sufficient to make this payment to LISC.

LISC may assess an annual administrative fee, the amount of which shall be agreed upon by DHA and LISC, but when combined with DHA's administrative fee, shall not exceed fifteen percent (15%) of non-City contributions to the LDF.

**5. Term of Agreement, Termination; Expiration; Payment of LISC Fee.**

- a. The term of this Agreement shall begin on \_\_\_\_\_, 2018 and shall end when all funds in the LDF have been disbursed by LISC and the final reports accounting for all LISC funds have been submitted.
- b. Either party may terminate this Agreement with a ninety (90) day notice to the other party. Upon termination of this Agreement, or its expiration, LISC shall return to DHA all records and other materials in LISC's possession related to the LDF. Should DHA appoint a successor Fund Manager, LISC shall cooperate with the successor fund manager in the orderly transitioning of its responsibilities to the successor fund manager.

**6. Standard of Care.**

LISC shall carry out the Fund Management Services hereunder, and provide technical assistance, in accordance with the same standard of care it uses with respect to its own operations.

**7. Indemnification.**

LISC agrees to fully protect, defend, indemnify and hold DHA (an "Indemnified Party") harmless from and against any and all liabilities, obligations, related claims, causes of action, judgments, damages, penalties, costs and expenses (including without limitation attorneys' fees and expenses) caused by its negligence or misconduct, except for the gross negligence or willful misconduct on the part of the Indemnified Party. DHA does not, by this Agreement, agree to indemnify LISC for any reason whatsoever.

**8. Miscellaneous.**

- a. Each of the Parties represents and warrants to the other Party that: (i) such Party is duly organized, validly existing, and in good standing under the laws of the state of its formation; (ii) such Party has all necessary power and authority to enter into this Agreement and to carry out the provisions hereof; and (iii) upon execution and delivery, this Agreement will be a legal, valid and binding obligation of such Party and enforceable against it in accordance with the terms hereof.

- b. With respect to the Fund, this Agreement constitutes the entire agreement between the Parties, superseding all prior agreements, either oral or written. This Agreement may not be amended or any provision hereof waived except by a document signed by both Parties, and, for as long as City funds remain in the LDF, with the written consent of the City.
- c. Neither of the Parties shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such Party. The waiver by any Party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.
- d. Any notice or communication given under this Agreement shall be in writing and delivered by hand or mailed by first class mail, postage prepaid (mailed notices shall be deemed given three (3) business days after mailing) or reputable courier, or by facsimile or e-mail with a hard copy sent by one of the methods identified above, to the following addresses:

To DHA: Loretta Owens  
LIVE Denver – Program Director  
777 Grant Street, 2<sup>nd</sup> Floor  
Denver, CO 80203

Copy to: Joshua Crawley  
Agency Counsel  
777 Grant Street, 6<sup>th</sup> Floor  
Denver, CO 80203

Copy to: Office of Economic Development  
City and County of Denver  
Attn: Executive Director  
201 West Colfax Avenue, Dept. 208  
Denver, CO 80202

To LISC: Local Initiatives Support Corporation  
Attn: Celia Smoot, Director of LISC Housing  
One Monument Avenue, Suite 300  
Richmond, VA 23225  
csmoot@lisc.org  
804-358-2421

Copy to: Local Initiatives Support Corporation  
Attn: General Counsel  
501 7th Avenue, 7th Floor  
New York, New York 10018

- e. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.
- f. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the Parties and their respective successors and assigns permitted hereby) any legal or equitable right, remedy, or claim under or by reason of this Agreement.
- g. This Agreement shall be deemed to be made in, and shall be governed and construed in accordance with the laws of, the State of Colorado. Any lawsuits resulting from any dispute under this Agreement shall be brought in the City and County of Denver, Colorado. The substantially prevailing party in any action arising hereunder shall be entitled to recover its reasonable costs and fees, including attorneys' fees.
- h. Nothing in this Agreement or any Addendum shall be construed as a waiver of the notice requirements, defenses, immunities and limitations DHA may have under the Colorado Governmental Immunity Act (§24-10-101, C.R. S., et seq.) or to any other defenses, immunities, or limitations of liability available to DHA by law.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HOUSING AUTHORITY OF THE CITY  
AND COUNTY OF DENVER,  
COLORADO

By: \_\_\_\_\_  
Ismael Guerrero, Executive Director

LOCAL INITIATIVES SUPPORT  
CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

## **List of Annexes**

- 1 Disbursement Request
- 2 Quarterly Financial Reporting Form
- 3 LISC Wire Transfer Information