

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

All fields must be completed.

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: 10/20/2010

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** To allow the execution of a loan agreement between the City and County of Denver and Renaissance Housing Development Corporation, a Colorado nonprofit 501(c)3 corporation, for the construction of 5000-5050 West Colfax Avenue using Neighborhood Stabilization Program 2 (NSP2) funding.

3. **Requesting Agency:**

Office of Economic Development – Business and Housing Services

4. **Contact Person:**

- **Name:** Melissa Stirdivant
- **Phone:** 720-913-1541
- **Email:** melissa.stirdivant@denvergov.org

5. **Contact Person:**

- **Name:** Melissa Stirdivant
- **Phone:** 720-913-1541
- **Email:** melissa.stirdivant@denvergov.org

6. **General description of proposed ordinance including contract scope of work if applicable:**

The ordinance approves a loan agreement with Renaissance Housing Development Corporation for the construction of 101 affordable rental housing units at 5000-5050 West Colfax Avenue, Denver, Colorado. The project eligible under the NSP2 program regulations due to the fact that the property is currently a blight in the community. NSP2 was authorized under the American Recovery and Reinvestment Act (ARRA) of 2009. The City will provide a loan in the amount of \$3,900,000.00 to Renaissance Housing Development Corporation to implement NSP2. The Housing and Economic Recovery Act (HERA) of 2008 originally established NSP and appropriated funds to address the effects of abandoned and foreclosed properties and vacant and blighting properties in the nation's communities.

- a. **Contract Control Number:** Has not yet been assigned.
- b. **Duration:** Forty (40) years from the date of the execution of the Promissory Note and Deed of Trust.
- c. **Location:** 5000-5050 West Colfax Avenue, Denver, Colorado 80204
- d. **Affected Council District:** 1
- e. **Benefits:** Development of 101 affordable rental units and the elimination of the negative effects of a vacant and blighting property.
- f. **Costs:** \$3,900,000.00

7. **Is there any controversy surrounding this ordinance? Please explain.** None known.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

ORDINANCE/RESOLUTION REQUEST

Executive Summary

Purpose: To allow for the execution of a loan agreement between the City and County of Denver and Renaissance Housing Development Corporation, a Colorado nonprofit 501(c)3 corporation, for the construction of 5000-5050 West Colfax Avenue using Neighborhood Stabilization Program 2 (NSP2) funding.

Contract Entity: Renaissance Housing Development Corporation

Contract Control Number: To be assigned

Contract Amount: \$3,900,000.00

Program: Neighborhood Stabilization Program 2 (NSP2)

Location: 5000-5050 Morrison Road

Description:

- Grant Objective: To assist local governments in addressing the effects of abandoned and foreclosed properties in the nation's communities. Eligible activities include:
 - Financing the purchase and redevelopment of foreclosed residential properties.
 - Purchase and rehabilitation of abandoned homes and residential properties.
 - Redevelopment of vacant properties.
- The City and County of Denver will be contracting with Renaissance Housing Development Corporation to construct a multi-family rental property located at 5000-5050 West Colfax Avenue, Denver, Colorado. The project consists of the construction of 101 affordable rental units (100 will be available for tenants and one unit will be set-aside for the on-site property manager). The Area Median Income (AMI) for the residents of the units is:

Units/AMI	30% AMI	40% AMI	50% AMI	60% AMI
1 Bedroom/1 Bath	26	21	23	5
2 Bedroom/1 Bath	5	3	2	0
2 Bedroom/2 Bath	4	7	1	3
TOTAL	35	31	26	8

Ninety-one (91) of the units will be designated as NSP 2 units and the NSP2 unit breakdown is:

Unit Size	Number	AMI
1 Bedroom/One Bath	18	30%
1 Bedroom/One Bath	13	40%
1 Bedroom/One Bath	13	50%
1 Bedroom/One Bath	25	Up to 50%/Section 8 Voucher
2 Bedroom/One Bath	2	50%
2 Bedroom/Two Bath	5	40%
2 Bedroom/Two Bath	1	50%

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

2 Bedroom/Two Bath	14	Up to 50%/Section 8 Voucher
--------------------	----	-----------------------------

The remaining units will have HOME income and rent restrictions.

A Rental and Occupancy Covenant shall be recorded against the property to ensuring that the units remain affordable for a total of 40 years from the closing of the City’s loan. The HOME Rental and Occupancy period shall be for 20 years and the City will add additional 20 years for its affordability period.

- The terms and conditions of the loan are as follows:
 - Principal Balance: \$3,900,000.00
 - Interest Rate: 0%
 - Term: 40 Years
 - Repayment Terms: All payments will be deferred until 40 years after the origination of the loan when the entire principal balance will be forgiven so long as all other terms and conditions of this loan agreement and the separate City HOME Loan Agreement have been complied with.
- A contract accepting the grant from the United States Department of Housing and Urban Development (HUD) in the amount of \$18,994,444 has been approved by City Council. A portion of those funds is being awarded to Renaissance Housing Development Corporation.
- The funds awarded by HUD for NSP2 are in additional to the NSP funds awarded by HUD under NSP1. Matching requirements: None.
- The existing Community Development Block Grant (CDBG) regulations will apply, including some modifications to accommodate the Housing and Economic Recovery Act (HERA) and American Recovery and Reinvestment Act (ARRA) directives. For example, income limits allow for assistance to households at or up to \$120% of the AMI.
- The expenditures of NSP2 funds must occur by February 11, 2013.
- A minimum of 25% (\$4,778,611) of the total grant amount to the City must be expended to assist households at or below 50% AMI. This loan will allow the City to meet 74% of this requirement. The balance of the grant can be used to assist households up to 120% of AMI.

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____