

ORDINANCE/RESOLUTION REQUEST

Date of Request: 11/1/19

Please mark one: Bill Request or Resolution Request

1. Type of Request:

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

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. Title: Amends the city's loan agreement for 101 Broadway, a recently completed 102 micro-unit affordable rental project, so that the Colorado Housing and Finance Authority (CHFA) can complete its planned Land Use Restriction Agreement (LURA) for the project with the city's recorded covenant in a subordinate position.

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

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Chris Davis 720-913-1910	Name: Susan Liehe 720-913-1689
Email: christopher.davis@denvergov.org	Email: susan.liehe@denvergov.org

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

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

7. City Council District: 7

Key Contract Terms

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

Vendor/Contractor Name: 101 Apartment Developers, LLC

Contract control number: OEDEV-201738188-00

Location: 49 West 1st Avenue, Denver, CO 80223

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** This is the first

Was this contractor selected by competitive process? N/A – the loan met the terms of the city’s term sheets for affordable housing and passed HOST’s loan review committee.

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

Source of funds: Dedicated Fund

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

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

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

On December 13, 2018, the city executed a loan agreement authorizing a \$2,300,000 loan for the development of 101 Broadway, a 102 micro-unit project affordable to tenants at or below 60% AMI. The construction is completed, and the property has begun leasing units.

Because the property is now leasing, it is required to submit a “Placed in Service Application” to the Colorado Housing and Finance Authority (CHFA). The Placed in Service Application provides information CHFA needs to finalize and record its planned Land Use Restriction Agreement (LURA) for the project.

The recording of the LURA allows the project's investor to claim tax credits for units occupied in 2019. Our recorded covenant will need to be subordinated to CHFA’s LURA. The city’s original loan agreement does not authorize the subordination of the city’s recorded covenant to CHFA’s LURA, and thus requires the requested amendment.

There is no change in loan duration or financial impact to this amendment.