

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: **11-20-17**

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:

Amends a loan agreement between the Office of Economic Development and the Denver Housing Authority for \$2,500,000 in general funds that were used to acquire a multi-block area in Five Points, with this amendment releasing certain parcels from the covenant that secures the loan.

3. Requesting Agency: Office of Economic Development

4. Contact Person: (With actual knowledge of proposed ordinance/resolution.)

- Name: Andrea Morgan
- Phone: 720.913.1663
- Email: andrea.morgan@denvergov.org

5. Contact Person: (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)

- Name: Susan Liehe
- Phone: 720.913.1689
- Email: susan.liehe@denvergov.org

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

Amends a loan agreement for \$2,500,000 between the Denver Housing Authority and OED to release certain parcels from the covenant that secures the loan. The existing loan financed the acquisition of property bounded by Washington Street, 20th Avenue, 22nd Street, Tremont Place, 24th Street, and Court Place. This area was covered by a HOPE VI revitalization plan that included mixed-income rentals and homeownership housing. DHA has built the planned rental units, but intends to sell the released parcels to private developers to build the planned for-sale units. In accordance with the area's AHP, 9% of the homeownership units will be available to 80% AMI families, providing 65 total bedrooms.

****Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)

- a. Contract Control Number: OEDEV-CE01227-02
- b. Duration: 20 years
- c. Location: Area bounded by Washington Street, 20th Avenue, 22nd Street, Tremont Place, 24th Street, and Court Place
- d. Affected Council District: 9
- e. Benefits: Affordable housing
- f. Costs: none

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?)
Please explain.

None known.

Executive Summary

This amendment to contract OEDEV-CE01227-02 for \$2,500,000 with the Denver Housing Authority will release certain parcels from the covenant that secures the loan. The existing loan financed the acquisition of property bounded by Washington Street, 20th Avenue, 22nd Street, Tremont Place, 24th Street, and Court Place. The property, now known as Benedict Park Place, was covered by a HOPE VI revitalization plan that included mixed-income rentals and homeownership housing, requiring that 60% of the units onsite be affordable at the 60% AMI level or below.

DHA has built all 580 of the planned apartments in buildings known as Bean Towers, Arrowhead Apartments, and East Village Apartments. Of the total, 462 (80%) are affordable at or below 60% of AMI, as shown here:

		1-BR	2-BR	3-BR	4-BR	TOTAL	% of Type
RENTAL UNITS:							
Income-Restricted at	40%	183	53	17	1	254	44%
Income-Restricted at	50%	68	34	8	0	110	19%
Income-Restricted at	60%	62	29	7	0	98	17%
Subtotal, Income-Restricted		313	116	32	1	462	80%
Market-Rate Rentals		54	59	5	0	118	20%
SUBTOTAL, ALL RENTALS		367	175	37	1	580	100%

However, DHA does not typically build for-sale housing, and has determined that it is more economically feasible to sell the parcels destined for homeownership to private developers to complete the work envisioned in the revitalization plan. In 2016, DHA encumbered the for-sale parcels with an Affordable Housing Plan that requires construction of 30 homes affordable at the 80% AMI level; the other 297 homes will be market-rate. Although the AHP provides only 9% of the homes at affordable prices, it provides 65 total bedrooms--10 more than required--as an alternative satisfaction to the AHP requirements, as shown here:

		1-BR	2-BR	3-BR	4-BR	TOTAL	% of Type
FOR-SALE UNITS:							
Affordable at AMI	80%	10	5	15	0	30	9%
Market-Rate For-Sale		132	151	14	0	297	91%
SUBTOTAL, ALL FOR-SALE		142	156	29	0	327	100%

To complete the planned sales, the for-sale parcels will need to be released from the covenant that secures the loan.