

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

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

Date of Request: 12/19/2022

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

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

Approves the loan agreement between the City and County of Denver and 38th and Holly, LLLP in the amount of \$8,319,000, under contract control number HOST-202264272.

3. Requesting Agency: Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Adam Lyons	Name: Sabrina Allie and Derek Woodbury for Mayor-Council
Email: Adam.Lyons@denvergov.org	Email: sabrina.allie@denvergov.org and derek.woodbury@denvergov.org

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

Delwest has been awarded 4% Low Income Housing Tax Credits (LIHTC) by the Colorado Housing Finance Authority (CHFA) for the development of 253 units at the northeast corner of 38th and Holly. Delwest plans to use Income Averaging at the property to address a full spectrum of income levels, including housing capped at 80% AMI and deeper affordable populations from 60% through 30% AMI's. There will be 84 one-bedroom, 106 two-bedroom two bath, and 34 three-bedroom two-bath units at the property. In addition, the property will have 29 rental townhomes, including 21 three-bedroom two bath and 8 four-bedroom three-bath units. CHFA has reserved Private Activity Bond (PAB) cap for this project. HOST successfully negotiated an increase in the total number of 30% AMI units to better align this project with the strategic plan goals. Originally, only 6% of the total units were designated as 30% units and that percentage has now been increased to 15%. Eleven units will be HOME units for 20 years before converting to City units for the remaining 40 years.

The nine buildings will consist of three stories of wood framing with brick, stucco, and siding exterior finishes. Buildings will be Energy Green Code3 rated for energy efficiency. Units will have "market rate" finishes, including granite-hard surfaces, kitchen islands, LED lighting, Energy Star appliances, ceiling fans, dishwashers, garbage disposals, microwaves, central air conditioning, in-unit clothes washer and dryers, window coverings, smart locks, as well as secure building access. The property will feature an enhanced community center, with high-speed wi-fi, fitness room, computer and printer access, and individual caseworker/non-profit partner offices, and multi-purpose flex spaces for child learning pods, adult education classes, etc. There will be age-specific playgrounds, a dog run, and a picnic area onsite. All utilities will be owner-paid.

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

Eliot Schaefer

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

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7. **City Council District:**
District 8

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

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:
38th and Holly, LLLP

Contract control number:
HOST-202264272

Location:
5909 & 5908 E. 38th Ave, Denver CO 80205

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

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

Simple interest at a rate of one percent (1%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made. Principal and any interest accrued on the Loan shall be due and payable, at such place as may be designated by City, in annual installments in the amount calculated in accordance with the order of priority and other provisions set forth in Exhibit F of the Loan Agreement. Such annual installments shall commence and be due on the first June 1st following the date that is twenty-four (24) calendar months after the effective date of the Promissory Note and each June 1st thereafter. The entire unpaid balance of principal and accrued interest, if not paid sooner, shall be due and payable on the date that is three hundred sixty (360) months following the date of execution of the Promissory Note (the "Maturity Date").

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

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$8,319,000		

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
See above for terms of both the loan agreement		

Scope of work:

Delwest intends to develop a 253-unit affordable multi-family project which will include 29 rental townhomes. The site is located on the 34 RTD bus line, through which the residents can access the Central Park and 30th & Downing Commuter Rail Stations. The nine buildings will consist of three stories of wood framing with brick, stucco, and siding exterior finishes. Buildings will be EGC rated for energy efficiency. Interior floor finish will include LVP in the units and hallway, with carpeted bedrooms. The building will have interior corridors and secure exterior doors, with ample surface lot parking for tenants. 10% of the overall parking spaces will be electronic vehicle (EV) ready. There will also be a minimum of 50 bicycle parking spaces.

The Phase I ESA noted three recognized environmental conditions (RECs), three Historical RECs (HRECs) and four *deminimis* conditions at the Site. Findings included the presence of petroleum or potential for releases of petroleum that would require a

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Phase II ESA investigation. A Phase II found that based on field observations, photoionization detector readings, and soil sample analytical results, the sump/sand trap area west of the maintenance building has not been impacted by chlorinated volatile organic compounds (VOCs). All HRECs have been addressed and closed to the satisfaction of the regulatory agency.

The development team will consist of Delwest Development Corp., Crosslands Construction, Parikh Stevens Architects, Delwest Management Corp., with Kenneth Hoagland, Community Capital Corp., as the project consultant and Paul Smith, Bryan, Cave, Leighton, Paisner, as the legal counsel.

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

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

Source of funds:

\$2,500,000 Home Investment Partnership Program and \$5,819,000 American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF)

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

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

N/A

Who are the subcontractors to this contract?

N/A

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