

ORDINANCE/RESOLUTION REQUEST

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

Date of Request: 1/22/18

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:** (Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)

Provides a \$2,400,000 cash flow loan to Denver Housing Authority to support the construction of 112 units of housing for disabled and senior residents at Vida at Sloan's, an affordable housing development at 4057 W. Colfax Ave.

3. **Requesting Agency:** Office of Economic Development

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

- **Name:** Haley Jordahl
- **Phone:** (720) 913-1707
- **Email:** haley.jordahl@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/resolution including contract scope of work if applicable:**

Provides a \$2,400,000 performance-based loan to the Denver Housing Authority to support the construction of 112 one-bedroom units of rental housing for senior and disabled residents, to be titled Vida at Sloan's. The development will include 13 units restricted for residents earning at or below 30% of AMI, 36 units restricted for residents earning at or below 40% of AMI, 37 units restricted for residents earning at or below 50% of AMI, 25 units for residents earning at or below 60% of AMI, and one manager's unit. In addition to OED funding, the project will leverage private debt, 4% LIHTC equity, and funding from the Colorado Division of Housing to complete the project. The units will be income-restricted for 30 years.

- a. **Contract Control Number:** OEDEV-201736288-00
- b. **Duration:** March 15, 2018 – August 31, 2019
- c. **Location:** 4057 W. Colfax Ave., Denver, CO 80212
- d. **Affected Council Districts:** District 1 – Rafael Espinoza
- e. **Benefits:** Provides 112 affordable one-bedroom apartments available to senior and disabled households earning up to between 30% and 60% of area median income (AMI) and accessible to very low-income residents through project-based Section 8 vouchers.
- f. **Costs:** \$2,400,000.00 Housing General Funds

7. **Is there any controversy surrounding this ordinance?** (Groups or individuals who may have concerns about it?) **Please explain.**
None at this time.

EXECUTIVE SUMMARY

Denver's Comprehensive Plan for Housing, which is being submitted for adoption by to City Council in February 2018, articulates that a goal that 25% of funding be allocated toward the creation or preservation of housing for very low-income Denver residents. By creating 111 units restricted explicitly for very low-income seniors and disabled residents supported by project-based vouchers, this project will contribute directly to that and other specific goals.

Background

The Housing Authority of the City and County of Denver (DHA) is proposing to develop a 176-unit mixed use rental community located in the West Colfax neighborhood south of Sloan's Lake. The project will include 176 residential units and 27,000 SF of ground floor commercial space to be occupied by Centura Health and Fresenius Kidney Care. The development will house senior (62 years and older) and disabled residents.

The development will be structured as a three-part condominium inclusive of the following components: 1) ground floor community-serving commercial space to be financed through New Markets Tax Credits; 2) a 64-unit residential rental portion to be financed through 9% LIHTC equity; and 3) a 112-unit residential rental portion to be financed through 4% LIHTC equity. OED's gap financing will contribute toward the financing of the 112-unit residential rental portion of the project.

The 112-unit residential rental development will provide 13 units restricted for residents earning at or below 30% of AMI, 36 units restricted for residents earning at or below 40% of AMI, 37 units restricted for residents earning at or below 50% of AMI, 25 units for residents earning at or below 60% of AMI, and one manager's unit. However, all units in the development will be supported by project-based Section 8 vouchers, so will be affordable to very low-income residents. The City's performance loan will support hard costs associated with the property's construction. In addition to OED's financing, the property will assume a \$3.23 million permanent loan, \$13.4 million in 4% LIHTC equity, a \$9.8 million loan from DHA, and \$1.7 million in gap funding from the Colorado Division of Housing.

In addition to the affordable housing provided through the development, the property will offer amenities to support the health of its residents. The development will incorporate a senior activity center, to which every resident will have a free membership, and which will be managed by DHA. The center will employ a Healthy Living Coordinator, who will organize programming to take advantage of the center's fitness equipment, classrooms, and cooperative kitchen. The center will also employ a full-time Health Navigator, who will help residents to attain benefits and access focused services in the areas of mental health, substance abuse, daily activities, treatment plans, and patient advocacy. In addition, residents will have access to the facilities operating in the ground floor commercial space (Centura Health and Fresenius Kidney Care).