

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto: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: 14 February 2012**

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:** Request was to approve loan for \$900,000 of HOME funds to Denver Housing Authority for the purpose of constructing 89 units of rental housing as part of Phase 9 of the HOPE VI development along Park Avenue.

**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.)*

Denver Housing Authority - contractor name 201100322 - contract control #

This request is to modify the City’s loan agreement related to language conflicting with HUD guidelines and federal government laws. related to: 1) resident verification statue under Colorado law; 2) removal of reference to indemnification provisions requirements limited to non-public housing assets.

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

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

- **Name:** ReJean Peeples
- **Phone:** 720.913.1545
- **Email:** rejean.peeples@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:** Seneca Holmes
- **Phone:** 720.913.1533
- **Email:** Seneca.holmes@denvergov.org

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

This request is to modify the City’s loan agreement related to language conflicting with HUD guidelines and federal government laws. related to: 1) remove references related to resident verification statue under Colorado law, this provision is pre-empted by the federal law ; 2) removal of reference to indemnification provisions requirements limited to non-public housing assets.

**\*\*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:** 201100322
- b. **Duration:** 40 years
- c. **Location:** 2290 Court Place
- d. **Affected Council District:** 8
- e. **Benefits:** creation of 89 units of affordable rental housing
- f. **Costs:** none

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

*To be completed by Mayor’s Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

## Executive Summary

### Project Background

This contract will be the Denver Housing Authority (DHA) in the amount of \$900,000 for the purpose of developing affordable housing units in the Park Ave HOPE VI development.

Contract Recipient: Denver Housing Authority (DHA)

Proposed Amount: \$900,000  
Terms: performance based deferred loan  
Affordability period: 20 years per HUD regulations  
20 years per OED

Source of Funds: HOME funds

New construction of 89 units - tenant incomes will range from 40% to 60% AMI along with market rate rental units

The Park Ave 5B project is phase 9th in the scheme of the entire HOPE VI development and is located in the Benedict Park area and Phase 10 (homeownership) is also planned along the north side of 19<sup>th</sup> Ave in the same area.

### Summary of Current Request

Since this project is receiving public housing funding through the US Dept of Housing and Urban Development (HUD), general counsel staff there has requested modifications to the City's Loan agreement. This amendment will modify the following:

- 1) Sec. 26. of the Loan Agreement references the requirements for citizenship verification under Colorado law. This provision is pre-empted by Federal law, specifically Sec. 214 of the Housing and Community Development Act of 1980 (which applies to Public Housing) and by Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (which applies to HOME). Since this is public housing, the Public Housing Requirements must control, Sec. 214 would apply in this case. Therefore, either Sec. 26 must be stricken or language stating that it is pre-empted and the federal laws must be complied with instead, must be added to Sec. 26.
- 2) the Loan Agreement, Sec. 18 contains indemnification provisions that are required to be limited to non-public housing assets. This reference needs to be modified to acknowledge that indemnity can only be satisfied from legally available resources exclusive of such public housing assets.

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