

# OED ORDINANCE/RESOLUTION REQUEST

Date of Request: 7/20/18

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 an active verb, i.e., **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, or supplemental request.

Approves a \$1,020,000 performance loan via an intergovernmental agreement to the Denver Housing Authority to support the construction of 68 units of income-restricted affordable housing for very low-income and senior residents at two separate sites, the first being the renovation of the existing Platte Valley Homes located at 3058 Champa St, and the second being the construction of 18 units of senior housing at 3401 Arapahoe St.

## 3. Requesting Agency: Office of Economic Development

## 4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: <b>Haley Jordahl</b>	Name: <b>Susan Liehe 720-913-1689</b>
Email: <b>haley.jordahl@denvergov.org</b>	Email: <b>susan.liehe@denvergov.org</b>

## 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):

Julie Mecklenburg

## 7. City Council District: 9

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

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

Resolution/Bill Number: BR18 0832

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

## Key Contract Terms

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

**Vendor/Contractor Name:** Housing Authority of the City and County of Denver

**Contract control number:** OEDEV-201840123-00

**Location:** 3058 Champa Street and 3401 Arapahoe Street, Denver 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):

8/1/2018 – 1/1/2021

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

<i>Current Contract Amount</i> <i>(A)</i>	<i>Additional Funds</i> <i>(B)</i>	<i>Total Contract Amount</i> <i>(A+B)</i>
\$1,020,000	\$0	\$1,020,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
8/1/2018 – 1/1/2021		

**Scope of work:**

See Executive Summary.

**Was this contractor selected by competitive process?** Yes (competitive application for 4% + State Low Income Housing Tax Credits allocated by CHFA; competitively underwritten for funding by OED) **If not, why not?**

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

**Source of funds:** General Funds

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

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

N/A; however, the development is subject to Davis-Bacon wage regulations.

**Who are the subcontractors to this contract?**

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N/A

*For Housing contracts or other housing legislation, add information and context about this project as it fulfills goals of the applicable annual plan and the five-year comprehensive housing plan:*

The Platte Valley Homes redevelopment will contribute toward the City's goals of creating and preserving affordable housing, by creating 18 new units and preserving and renovating 50 existing units. In addition, the 68 units will contribute toward the City's goals of creating housing for very low-income residents, because each of them will be allocated as public housing units.

## **EXECUTIVE SUMMARY**

The Denver Housing Authority (DHA) is proposing to develop 68 units of income-restricted public housing, to be located on two sites in the Five Points neighborhood:

- **3058 Champa Street:** At 3058 Champa Street, DHA is proposing to redevelop six of the nine existing buildings currently comprising Platte Valley Homes, a public housing property. The existing Platte Valley Homes properties were built in 1942, so are nearing the end of their useful life. The renovation will be substantial and will create 50 one-, two-, and three-bedroom public housing units. Because all units will be public housing units, they will serve very low-income residents. The average annual income of a DHA public housing resident is around \$10,000. The portions of the existing Platte Valley Homes site that will not be redeveloped into new rental housing will be sold for for-sale development; 20% of the for-sale units developed will be income-restricted at 80% of AMI.
- **3401 Arapahoe Street:** At 3401 Arapahoe Street, a parcel currently owned by DHA, DHA is planning to develop 18 public housing units to be reserved for tenants who are disabled or 62 years and older. Because each unit will be a public housing unit, they will serve very low-income residents.

The City's \$1,020,000 performance loan will support the construction and renovation of affordable housing units at both sites. In addition to OED's funding, the development will leverage a \$5.65 million program funds loan from DHA, a \$4.3 million land carryback loan from DHA, a \$680,000 grant from the State of Colorado Division of Housing, and \$10.8 million in competitively awarded 4% + State Low Income Housing Tax Credits. OED's loan will be structured as a performance loan, or grant, in recognition of the proportion of very low-income housing units provided by the project.

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Revised 03/02/18