

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: September 8, 2011
Contract Amendment

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: This amendment is to modify language in the original Loan Agreement to allow for the release of the Promissory Note to the Borrower upon the sale and transfer of the final home. This is a language modification only.

2. Title: To allow the execution of an amendment to the loan agreement between the City and County of Denver and Habitat for Humanity of Metro Denver, Inc. dated July 12, 2011.

3. Requesting Agency: Office of Economic Development-Business and Housing Services

4. Contact Person:

- **Name:** Melissa Stirdivant, Neighborhood Stabilization Program Specialist
- **Phone:** 720-913-1541
- **Email:** melissa.stirdivant@denvergov.org

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

The ordinance amends an existing loan agreement to allow for the release of the Promissory Note to the Borrower upon the sale of the final home to an income-qualified household. The original loan agreement with Habitat for Humanity of Metro Denver, Inc. was for the construction of 51 affordable homeownership townhomes at 15136 Andrews Drive, Denver, Colorado. The project is eligible under NSP2 program regulations due to the fact that the property is currently a blight in the community. NSP2 was authorized under the American Recovery and Reinvestment Act (ARRA) of 2009. The City will provide a loan in the amount of \$1,391,300 to Habitat for Humanity of Metro Denver, Inc. to implement NSP2. The Housing and Economic Recovery Act (HERA) of 2008 originally established NSP and appropriated funds to address the effects of abandoned and foreclosed properties and vacant and blighting properties in the nation's communities.

- a. Contract Control Number:** GE1A008
- b. Duration:** February 10, 2011-April 1, 2031
- c. Location:** 15136 Andrews Drive, Denver, CO 80239
- d. Affected Council District:** 11
- e. Benefits:** Development of 51 affordable homeownership townhomes and the elimination of the negative effects of a vacant and blighting property.
- f. Costs:** \$1,391,300

7. Is there any controversy surrounding this ordinance? Please explain. No known controversy.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

ORDINANCE/RESOLUTION REQUEST

Executive Summary Amendment 09-08-2011

Purpose: To allow for the execution of an amendment to the loan agreement between the City and County of Denver and Habitat for Humanity of Metro Denver, Inc., a Colorado non-profit 501(c)3 corporation, dated July 12, 2011 for the acquisition of vacant land, infrastructure design, construction, and associated soft costs for 15136 Andrews Drive, Denver, Colorado using Neighborhood Stabilization Program 2 (NSP2) funding. The amendment allows for the return of the executed Promissory Note upon the final sale to an income-qualified household. No additional funds are requested.

Contract Entity: Habitat for Humanity of Metro Denver, Inc.

Contract Control Number: GE1A008

Contract Amount: \$1,391,300.00

Program: Neighborhood Stabilization Program 2 (NSP2)

Location: 15136 Andrews Drive, Denver, CO

Description:

- Grant Objective: To assist local governments in addressing the effects of abandoned and foreclosed properties in the nation's communities. Eligible activities include:
 - Financing the purchase and redevelopment of foreclosed residential properties.
 - Purchase and rehabilitation of abandoned homes and residential properties.
 - Redevelopment of vacant properties.
- The City and County of Denver will be contracting with Habitat for Humanity of Metro Denver, Inc. for the acquisition and design and construction of infrastructure to allow for the construction of 51 affordable homeownership opportunities for households with incomes at or below 60% of the Area Median Income (AMI). This amendment allows for the return of the executed Promissory Note upon the sale of the final home to an income qualified household.

All 51 of the units will be designated as NSP 2 units.

- The contract will require that one-half of the NSP2 funding be expended on or before February 1, 2012 and the balance must be expended on or before February 1, 2013.

Unit configuration and square footages are as follows:

Each unit	Unit Type	Number of Units	Bedrooms/Baths	Square Footage	
two	Unit A	13	3 Bedrooms/1 Bath	1,458	will have dedicated spaces.
parking	Unit B	12	2 Bedrooms/1 Bath	1,162	
	Unit C	13	3 Bedrooms/1 Bath	1,418	
An	Unit D	13	4 Bedrooms/1 ½ Baths	1,458	

Occupancy

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Covenant shall be recorded against the property to ensuring that the units remain affordable for a total of 20 years from the closing of the sale to the homeowner.

- The terms and conditions of the loan are as follows:
 - Principal Balance: \$1,391,300.00
 - Interest Rate: 0%
 - Term: 20 Years
 - Repayment Terms: All payments will be deferred until 20 years after the origination of the loan when the entire principal balance will be forgiven so long as all other terms and conditions of this loan agreement have been complied with.

- Total Project Cost is as follows:

Sources & Uses Budget				
Project Activities	Total Project Cost	City Funds	Other Funds	Source
Land acquisition, soils test, survey	\$ 727,467	\$ 693,000	\$ 34,467	Fundraising
Design fees	\$ 228,245	\$ 126,900	\$ 101,345	Asset Recovery
Building permits, tap fees	\$ 272,311	\$ 246,400	\$ 25,911	Asset Recovery
Infrastructure, building costs	\$ 5,438,756	\$ 325,000	\$ 4,146,256	Asset Recovery,Sponsors
			\$ 517,500	In-kind donations
			\$ 450,000	CDOH
Landscaping	\$ 136,980		\$ 136,980	Home sponsors
Project Contingency	\$ 470,576		\$ 470,576	Fundraising, sponsors
Developer's Fee	\$ 729,000		\$ 729,000	Asset Recovery
Project Management	\$ 35,000		\$ 35,000	Asset Recovery
Totals	\$ 8,038,335	\$1,391,300	\$ 6,647,035	

Other funding is being provided through home sponsorships, fund raising, in-kind donations and Asset Recovery. Asset Recovery allows Habitat to sell existing loans to the Colorado Housing and Finance Authority and use those funds to support future development.

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