

# OED ORDINANCE/RESOLUTION REQUEST

Please mark one:  Bill Request or  Resolution Request Date of Request: 1/23/2019

**1. Type of Request:**

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

**2. Title:**

Amends a \$1,995,000 loan to Mile High Development, dba Sheridan Station Apartments LLC, to support the construction of 133 units of income-restricted housing at a wide range of income levels, including residents earning below 30% AMI and up to 60% AMI, in a transit-oriented development at 1079 Ames St. adjacent to the Sheridan light rail station.

**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>Megan Yonke</b> 720-913-1605	Name: <b>Susan Liehe</b> 720-913-1689
Email: <a href="mailto:megan.yonke@denvergov.org">megan.yonke@denvergov.org</a>	Email: <a href="mailto:susan.liehe@denvergov.org">susan.liehe@denvergov.org</a>

**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: 3**

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

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

Resolution/Bill Number: RR19 0078

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

## 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:** Sheridan Station Apartments LLC

**Contract control number:** OEDEV-201840082-01

**Location:** 1079 Ames Street, Denver, CO 80214

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** 1

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

2/1/2019 – 1/31/2058; 40 years affordability covenant

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

<i>Current Contract Amount</i> <b>(A)</b>	<i>Additional Funds</i> <b>(B)</b>	<i>Total Contract Amount</i> <b>(A+B)</b>
\$1,995,000	\$0	\$1,995,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
2/1/2019 – 1/31/2058		

**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

**Who are the subcontractors to this contract?** N/A

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## EXECUTIVE SUMMARY

This request is to amend a loan of \$1,995,000 (\$15,000/unit) in general funds to provide construction and permanent financing on a 133-unit affordable apartment community located at 1079 Ames Street in the Villa Park neighborhood of Denver. *This amendment adds no additional funds to the contract. The loan is structured as a surplus cash flow loan with a 40-year term, and recent changes to the definition of surplus cash flow necessitate a change to Exhibit E of the existing loan agreement.*

The borrower is leasing the land from the Urban Land Conservancy for 99 years, ensuring very long-term affordability. The subject site measures 26,510 square feet (0.61 acre) and will be improved with an eight-story building containing a total of 133 apartment units (218 units/acre). Of the 133 units, five will be for tenants at or below 30% of AMI, eight units will be for tenants at or below 40% AMI, and 120 will be for tenants at or below the 60% AMI.

The primary developer on this project is Mile High Development. OED has worked with this team on three other projects: Yale Station Apartments, University Station Apartments, and Ash Street Apartments.

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