

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: **7/3/17**

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.)*

Amends a contract with Denver Housing Authority and the related covenant on the project to (1) swap two affordable rentals in a 57-unit portfolio, replacing them with different units; (2) extend the term of the Covenant by 30 years; and (3) buy down the sales price of the released condos so that they will become affordable to moderate-income homebuyers.

3. Requesting Agency: Office of Economic Development

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

- **Name:** Andrea Morgan
- **Phone:** 720.913.1663
- **Email:** andrea.morgan@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 including contract scope of work if applicable:

Amends contract GE6A125 with the Denver Housing Authority (DHA) to substitute units within a 57-unit portfolio so that two rental condos on Jackson Street may be replaced with two affordable rentals on Kalamath Street. This amendment would make it possible for DHA to sell the two Jackson Street condos to homebuyers with incomes up to 80% of Area Median Income and attach 30-year covenants restricting the resale price and homebuyer eligibility of those condos. This amendment would also make an additional performance loan of \$65,752 in General Funds to buy down the sales price of those two condos so that they will be affordable to 80% AMI buyers. This amendment would also extend the term of the Covenant on the 57-unit portfolio so that it remains affordable rentals for an additional 30 years. Finally, this amendment would make technical changes to reinstate occupancy restrictions deleted in an earlier amendment; the portfolio has been in compliance with these occupancy restrictions the entire time.

****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:** GE6A125
- b. **Duration:** 360 months
- c. **Location:** 525 Jackson St., Units 104 and 207; and 1301 and 1307 Kalamath St.
- d. **Affected Council Districts:** 10 (New) and 3 (Lopez)

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Date Entered: _____

- e. **Benefits:** Affordable housing
- f. **Costs:** \$65,752

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

ORDINANCE/RESOLUTION REQUEST

Executive Summary

Purpose: Request to amend current loan agreement.

Contract Entity: Housing Authority for the City and County of Denver

Contract Control Number: GE6A125

Contract Amount: The current balance on this loan is \$1,200,000 and accrues without interest; this amendment will add \$65,752 in General Funds.

Program: HOME and General Funds

Location: 525 Jackson St., Units 104 and 207; and 1301 and 1307 Kalamath St.

Description: This resolution approves the amendment to a 2007 loan agreement with the Housing Authority for the City and County of Denver (DHA) that provided \$1,200,000 in HOME funds to rehabilitate a portfolio of 57 scattered housing units located primarily in the Lincoln Park neighborhood and make them available as affordable rentals. A 2012 amendment allowed DHA to substitute several units for others that had been found to be unrepairable. This amendment will allow DHA to substitute two apartments at 1301 and 1307 Kalamath St. for two condos at 525 Jackson St., Units 104 and 207, which DHA desires to sell.

DHA created the Kalamath units by repurposing ground-floor commercial space. The new apartments are larger than the condos they're replacing, with flex space in addition to the same number of bedrooms that are in the units that are being replaced, and are ADA-accessible.

At OED's request, DHA agreed to ensure that the two Jackson Street condos would be sold to 80% AMI buyers, at prices affordable to those buyers, and place upon these homes 30-year IHO-type covenants that will restrict buyer eligibility to 80% AMI households and will limit resale prices.

This amendment also creates a \$65,752 performance loan to DHA to help buy down the cost of the two for-sale condos so that they are affordable to 80% AMI buyers. Performance will be satisfied upon sale to eligible homebuyers.

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