

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **9:00am on Friday**. Contact the Mayor's Legislative team with questions

Date of Request: 8/28/2023

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 *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, supplemental request, etc.)

Approves the loan agreement between the City and County of Denver and Habitat for Humanity of Metro Denver, Inc. in the amount of \$1,275,000 to assist with financing the development of 17 income-restricted units to be sold at prices affordable to qualifying households (HOST-202369354).

3. **Requesting Agency:** Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Alex Marqusee	Name: Sabrina Allie
Email: alex.marqusee@denvergov.org	Email: Sabrina.Allie@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

This request is for \$1,275,000 in linkage fee funds for a Habitat for Humanity townhouse development known as the Clara Brown Commons at 3706 N Gaylord Street on a currently vacant parcel. The purpose is to finance construction of 17 income-restricted units to be sold at prices affordable to qualifying households as outlined in the table shown below. This request is being structured as a performance loan with a loan agreement, deed of trust, and a promissory note. As each unit is sold, there will be partial release of the deed of trust until it is fully released. Habitat is partnering with Colorado Community Land Trust (CCLT) who will own the leasehold interest on the land. Each home will be sold with a 99-year land lease which will renew for an additional 99-years on the 60th anniversary of the original land lease. CCLT retains the first right of refusal to repurchase homes.

The borrower will be required to house people with low/moderate incomes as shown in the following table:

Unit Size	Affordability Level	Total Units
2 Bedroom	80% AMI	4
3 Bedroom	80% AMI	6
4 Bedroom	80% AMI	7
		17

6. City Attorney assigned to this request (if applicable):

Eliot Schaefer

7. City Council District:

District 9

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

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

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

Vendor/Contractor Name:
 Habitat for Humanity of Metro Denver, Inc.

Contract control number:
 HOST-202369354

Location:
 7535 E Hampden Ave, Ste 600 Denver, CO 80231

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

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

Principal and any interest accrued on the Loan shall mature and be due and payable on the fifth (5th) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. So long as Borrower is in compliance with all terms and conditions of this Loan Agreement, repayment shall be forgiven by the City on the Maturity Date.

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

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
(A)	(B)	(A+B)
\$1,275,000	N/A	\$1,275,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
Principal and any interest accrued on the Loan shall mature and be due and payable on the fifth (5 th) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. So long as Borrower is in compliance with all terms and conditions of this Loan Agreement, repayment shall be forgiven by the City on the Maturity Date.	N/A	Principal and any interest accrued on the Loan shall mature and be due and payable on the fifth (5 th) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. So long as Borrower is in compliance with all terms and conditions of this Loan Agreement, repayment shall be forgiven by the City on the Maturity Date.

Scope of work:

The Clara Brown Commons includes 17 units of homeownership housing which will be restricted to lower income families earning less than 80% of AMI. Resale of homes will be restricted to households earning up to 100% of AMI. Habitat provides access to below-market-rate financing that ensures PITI will not exceed 30% of a household’s income. The townhomes are intended to serve families as they include larger units: there are four 2-bedroom, six 3-bedroom, and seven 4-bedroom townhomes. Twelve of the townhomes are designed to be visitable with no-step entrances, doors with 32" clearance and an accessible bathroom on the main floor. All units meet EnergyStar 3.0 energy efficiency standards. Each unit comes with a dedicated off-street parking space and residents will have access to some amenities at the neighboring affordable rental development being developed by Mile High Ministries. The location in the Cole neighborhood includes access to the A-line RTD route and multiple bus stops within a 1/4 mile. There are several parks and recreation centers, libraries, parks and neighborhood serving retail in the surrounding area.

Was this contractor selected by competitive process? N/A **If not, why not?** Gap financing for development

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

Source of funds:

Affordable Housing Fund: Linkage Fee

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

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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